

FBIS-CHI-86-218
Wednesday
12 November 1986
Vol I No 218

Daily Report

CHINA



FOREIGN BROADCAST INFORMATION SERVICE

FBIS

DAILY REPORT

CONTENTS

China

Vol I No 218

12 November 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

UN Committee Adopts PRC Disarmament Resolution	A	1
UN Delegate on Right to Development	A	1
Zhao Ziyang Meets Pakistan, Swiss Envoys	A	2
Foreign Ministry Holds Weekly News Briefing	A	3
Liberian Minister To Visit	A	3
Delegation To Visit Africa	A	3
Thai Minister To Visit	A	3
Poland's Gorywoda To Visit	A	3

UNITED STATES

U.S. Elections Provide 'Clear Warning'	B	1
[RENMIN RIBAO 10 Nov]		
RENMIN RIBAO on U.S. Midterm Elections	B	1
[7 Nov]		
XINHUA on Outcome of U.S. Midterm Elections	B	3
XINHUA Analysis Views Changes in U.S. Senate	B	4

SOVIET UNION

Radio Commentary on Soviet Troops in Afghanistan	C	1
USSR Painting Exhibit Opens in Beijing	C	2
PRC Shows Soviet Films on GOSR Anniversary	C	2

NORTHEAST ASIA

DPRK's Kim Il-song Meets GUANGMING RIBAO Group	D	1
NPC Vice Chairman Zhou Cuncheng Meets DPRK Official	D	1
Zhang Jingfu Meets DPRK Trade Delegation	D	1
Building of Anti-Japanese War Memorial Proceeding	D	1
Gu Mu Meets Japanese Telecommunications Group	D	2

SOUTHEAST ASIA & PACIFIC

XINHUA Analyzes Cambodian War, SRV Economic Woes	E	1
Singapore Firm To Provide Funds for Shenzhen Port	E	2
Governor of Australian State Visits Tianjin	E	2
[TIANJIN RIBAO 27 Oct]		

SOUTH ASIA

News Analysis on Bangladesh Without Martial Law	F 1
40 Soviet-Kabul Troops Killed in Afghanistan	F 2
Indian Vice-President Receives PRC Jurists	F 2

WESTERN EUROPE

Swiss Foreign Minister Visits China	G 1
Leaves for China	G 1
Seeks To Strengthen Ties	G 1
Wu Xueqian Fetes Aubert	G 2

EASTERN EUROPE

Romania's Dinca, Government Delegation Visit PRC	H 1
Arrive 10 November	H 1
Cooperation Meeting Opens	H 1
Lu Dong Fetes Dinca	H 1
Song Ping Meets Dinca	H 2
Chen Pixian Speaks to Romanians on Legal Work	H 2

PRC NATIONAL AFFAIRS

RENMIN RIBAO Reports Local Abuse of Power [7 Nov]	K 1
Commentator's Article	K 2
[RENMIN RIBAO 7 Nov]	
Comments on Cadres Traveling at Public Expense	K 3
[RENMIN RIBAO 5 Nov]	
Agreement on Credit Card Use Signed in Beijing	K 4
Chen Muhua Speaks at Forum on Financial System	K 5
State Responsibility to Bankrupt Firms Limited	K 5
[GONGREN RIBAO 1 Nov]	
State Enterprise Insolvency Laws Applauded	K 7
[GONGREN RIBAO 1 Nov]	
Commodity Economy, Spiritual Society Linked	K 8
[RENMIN RIBAO 7 Nov]	
Statistical Units Serve Party, State Leaders	K 11
Statistic Bureau Reports Peasant Incomes Rising	K 12
NONGMIN RIBAO on Deepening Rural Reform [31 Oct]	K 12
Army School in Hebei's Shijiazhuang Profiled	K 14
[LIAOWANG OVERSEAS EDITION 3 Nov]	
Peng Zhen Speaks at Sun Yat-sen Memorial	K 15
Wang Meng, Ulanhu Open Sun Yat-sen Exhibition	K 20

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Uses World Bank Loan for Agriculture	O 1
Shandong Secretary Meets Ningxia Delegation	O 1
Shanghai Leaders Join Work Inspection	O 1
Shanghai Secretary, Mayor on Urban Development	O 2

CENTRAL-SOUTH REGION

Guangdong Secretary Reports on Spiritual Civilization	P 1
Henan Official Urges Proper Training for Women	P 1
Hunan Secretary Attends Rally for Asiad Athletes	P 2
Briefs: Shenzhen Signs Import Agreements	P 2

SOUTHWEST REGION

Guizhou Secretary Inspects Autonomous Prefecture	Q 1
Guizhou Sends Lecture Groups to Poor Counties	Q 1
Sichuan Meets on 'Three-Dimensional Agriculture'	Q 2

NORTH REGION

Beijing Military Region Revitalizes Work	R 1
Shanxi Leaders Attend Sun Yat-sen Commemoration	R 1

NORTHEAST REGION

Jilin Military District Committee Commended	S 1
Jilin Secretary Addresses Industrial Forum	S 2
Foreign Envoys Attend Dalian Open Policy Meeting	S 3
Briefs: Jilin Democratic Party Committee	S 3

NORTHWEST REGION

Qinghai Secretary on Rural Civilization Issues	T 1
Qinghai Leaders Attend Animal Husbandry Lectures	T 1
Briefs: Shaanxi Opens Power Plant	T 1

TAIWAN

Executive Yuan Denies U.S. Interference in Trade	V 1
Rice Dispute Cause of Refusal To Buy U.S. Corn	V 1
[CHINA POST 3 Nov]	
Fishing Industry Affected by U.S. RSA Sanctions	V 2
Official Warns Against Trade Talk Politicization	V 2
[CFINA POST 4 Nov]	
Exports to North America Increase in Jan-Oct	V 3
Premier Stresses Improved Middle East Relations	V 4
Interior Minister Calls Party Formation 'Illegal'	V 4
Premier Receives Costa Rican Economics Minister	V 5
Premier Seeks Improved European Trade Ties	V 5

HONG KONG & MACAO

HONG KONG

Editorial Comments on Reported U.S.-Iran Talks	W 1
[SOUTH CHINA MORNING POST 11 Nov]	
Philippine Labor Minister's Visit Clarified [AFP]	W 2
PRC Influence on Green Paper Alleged	W 3
[SOUTH CHINA MORNING POST 10 Nov]	
NPC To Have Final Review on Post-1997 Laws	W 4
[HONGKONG STANDARD 11 Nov]	

UN COMMITTEE ADOPTS PRC DISARMAMENT RESOLUTION

OW121204 Beijing XINHUA in English 1154 GMT 12 Nov 86

[Text] United Nations, November 11 (XINHUA) -- The First Committee of the General Assembly adopted unanimously this afternoon a draft resolution submitted by China, calling on the United States and the Soviet Union to take the lead in nuclear disarmament.

The draft, first ever by the Chinese delegation on disarmament issues, urges the two superpowers, which possess the most important nuclear arsenals, "to discharge their special responsibility for nuclear disarmament, to take the lead in halting the nuclear-arms race and to negotiate in earnest with a view to reaching early agreements on the drastic reduction of their nuclear weapons."

The draft, which became a formal resolution of the committee after the adoption, reiterates that bilateral and multilateral efforts for nuclear disarmament should complement and facilitate each other.

Before the committee took the decision at the afternoon session, China's Ambassador for Disarmament Affairs Fang Gouxian stated that China, in submitting the draft resolution, is solely aimed at facilitating the negotiations between the two major nuclear powers for an early agreement on the drastic reduction of their nuclear arsenals.

He said that when the two superpowers have drastically reduced their nuclear weapons, other nuclear-weapon states should participate in the process, thus creating conditions for the eventual complete elimination of all nuclear weapons on earth.

He reiterated that China, as a nuclear power, will not shirk its responsibilities in this regard, and that it will, as it has always stated, make its own contributions in opposing the nuclear arms race and for the final complete destruction of all nuclear armaments.

The resolution, along with other disarmament-related resolutions adopted by the committee, will be submitted to the plenary session of the U.N. General Assembly for approval as a document of the assembly.

UN DELEGATES ON RIGHT TO DEVELOPMENT

OW071300 Beijing XINHUA in English 0859 GMT 7 Nov 86

[Text] United Nations, November 6 (XINHUA) -- China said today that the proclamation of the right to development indicates numerous Third World countries want "to promote social and cultural advancement and improve people's living standard."

Speaking at the Third Committee of the U.N. General Assembly, Chinese Representative Zhang Zifan said, "the Chinese Government has always endeavored to promote the respect for the human rights and fundamental freedom of mankind."

The committee is now in session drafting the "Declaration on the Right to Development."

He told the Committee that "the sluggish development of production, harsh terms of foreign trade and heavy debt burden" constitute serious obstacles to the development of the majority of the Third World countries.

Zhang pointed out that the lasting prosperity expected by some cannot be based on the perennial underdevelopment and poverty of the majority of countries. "The right to development is not only indispensable to the developing countries, but also of important significance to the developed countries," he added.

He said that "the right to development is a new development of the concept of human rights" and "an undeniable human right" that has the U.N. charter as its "sound legal basis."

The concept of the right to development was first formally presented in a resolution adopted at the 33rd session of the United Nations Commission on Human Rights in 1977.

"The realization of the right to national and individual development is the demand of our times and the inevitable result of human economic and social development," he pointed out.

He considered it meaningless without the active participation and enjoyment of benefits by the people.

He stressed that China does not agree with those who hold the right belongs solely to individuals and not to countries and nations. "The development of individuals and that of countries and nations are inseparable," he said.

"Development manifests itself not only in the prosperity of country's economy, the advancement of its society and culture and the improvement of its people's life, but also in national independence, the ability to resist foreign aggression, control and interference and the realization of domestic political democracy as well as the respect for the human rights and fundamental freedom of mankind," Zhang said.

Since 1977, the General Assembly and the Economic and Social Council (ECOSOC) have adopted numerous resolutions demanding for the study and consideration of the issue of the right to development with expedition.

At the 40th session of the General Assembly last year, Yugoslavia put forward a draft of the declaration on the right to development. However, no consensus was reached on it.

At today's meeting, Zhang made it clear that China views the Yugoslavian draft, although not perfect, as having given "full emphasis to the right to national self-determination and the exercise of full, inalienable sovereignty over all natural resources and wealth."

He appealed to the member states "to display the spirit of cooperation and make positive contribution to the early adoption of the Declaration on the Right to Development."

ZHAO ZIYANG MEETS PAKISTAN, SWISS ENVOYS

OW080151 Beijing XINHUA in English 1435 GMT 7 Nov 86

[Text] Beijing, November 7 (XINHUA) -- Premier Zhao Ziyang met the out-going Pakistani Ambassador to China Dr. Maqbool Ahmad Bhatti and new Swiss Ambassador to China Fritz Bohnert on different occasions here this afternoon at the Great Hall of the People.

FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Liberian Minister To Visit

OW121240 Beijing XINHUA in English 1233 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- Liberian Foreign Minister Bernard Blamo will pay a visit to China from November 18 to 25 at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian. This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today.

Delegation To Visit Africa

OW121230 Beijing XINHUA in English 1225 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- A Chinese government delegation led by State Councillor Zhang Jingfu will pay a goodwill visit to Zaire, Central Africa and Cameroon from November 22 to December 4 at the invitation of their governments, a Foreign Ministry spokesman announced here this afternoon.

During the visit, the spokesman said, Zhang will attend a celebration marking the 21st anniversary of the Second Republic of Zaire and a cornerstone-laying ceremony for Kamanyola Stadium of Zaire. Zhang will also be present at the inauguration ceremony for Lagdo hydro-electric power station in Cameroon, he added.

Thai Minister To Visit

OW121242 Beijing XINHUA in English 1234 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila will pay a goodwill visit to China from November 20 to 25 at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian. This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today.

Poland's Gorywoda To Visit

OW121238 Beijing XINHUA in English 1232 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- Manfred Gorywoda, vice-chairman of the Council of Ministers and chairman of the State Planning Commission of Poland, will pay a visit to China from November 20 to 29 at the invitation of State Councillor and Minister in Charge of the State Planning Commission Song Ping.

This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today.

Gorywoda and Song will exchange views on such questions as the economic situation of the two countries, planning and management, economic and technological cooperation and the renovation and updating of outmoded enterprises. They will also discuss possibilities of further cooperation between the two countries.

U.S. ELECTIONS PROVIDE 'CLEAR WARNING'

HK111519 Beijing RENMIN RIBAO in Chinese 10 Nov 86 p 6

["Jottings" by Xiao Chen (0879 2525): "The Situation Is Pressing"]

[Text] The results of the U.S. midterm elections are out: The Democratic Party gained the Senate majority with 55 seats while the ruling party lost 8 seats. This was rather unexpected.

Actually, President Reagan had pinned great hopes on this midterm election and strove to maintain Republican control of the Senate through this election. He set out early on the campaign trail and personally visited 13 states to campaign for Republican senators.

However, the results went against one's expectations because the situation is beyond people's control. It seems that the problem lies not with personality, but because the Reagan administration faces challenges both at home and abroad. Until now, the government has yet to effectively reduce the huge budget deficits and enormous trade imbalance, while the economic growth rate has slowed down since this summer. The situation is not as good as the government pictures it to be. Moreover, of the 34 Senate seats up for election, 21 of them are in economically depressed states, thus, the sentiments of the constituents may well be deduced. On foreign affairs, the recent development of events also damages Reagan's image as a "president of peace". The failure to reach an agreement during the U.S.-USSR summit in Iceland, U.S. policy towards Nicaragua and its opposition against sanctions against South Africa -- these have also met with increasingly strong objections within the country. Therefore, despite Reagan's personal popularity, the situation cannot help him and he too is rendered helpless.

This midterm election more or less provides the present government with a clear warning: No person, whoever he may be, can afford to ignore the wishes of the public. If the parties concerned would gain some wisdom from this election, then that would be a sensible attitude.

RENMIN RIBAO ON U.S. MIDTERM ELECTIONS

HK080808 Beijing RENMIN RIBAO in Chinese 7 Nov 86 p 6

[Article by correspondent Zhang Yunwen (1728 0336 2429): "Changes in the Senate and the U.S. Political Outlook"]

[Text] Washington, 6 Dec -- The Democratic Party made a net gain of eight seats in the U.S. midterm elections on 4 November, thereby regaining control of the Senate for the first time in 6 years. This was the focus of public opinion, because the tussle between the two parties during this mid-term election, which involved the two houses of Congress and a number of state governorships, was centered on the Senate.

The Republican-controlled Senate has played a major cooperative role in Reagan's chief policy initiatives during his 6 years in the White House, such as cutting taxes, reforming the tax system, and increasing military spending. Whether or not the Republican Party could continue to control the Senate was the key to whether Reagan would be able to achieve his goals during the last 2 years of his 2d term and complete the unfinished business of his "Second American Revolution."

Analyzing the reasons for the Republican failure, people have noted the party's campaign strategy errors in being unable to put forward national policy issues and being limited to the "political achievements" of Reagan himself, pinning all its hopes on Reagan's reputation and so on. Some people have also noted the different "social climates" and "party and sect traditions" of different states. However, according to sample investigations carried out among voters after the poll by public opinion surveyors, it was evident that the reasons for the Republican failure lay at a deeper level.

The surveys showed that economic problems were the key issues affecting the voters' choice in the 34 states holding Senate elections on this occasion. The electorate has lost confidence in the Reagan Administration's promises on the economy and in the state of the economy. The economic facts such as the record-breaking bankruptcies of farmers in the South and Midwest, the loss of half the jobs in the iron and steel industry, and economic depression in the western energy-producing states caused the voters' dissatisfaction with the ruling party.

Another factor for the Republican Party's failure was that large numbers of voters aged under 30 who supported the party in 1984 switched their vote to the Democrats, while the turnout of voters over 60 who have always supported the Democrats was double that of 1984. These two groups of voters became the foundation for the "comeback" of the Democratic Party.

Now that the Democratic Party has again become the majority in the Senate, the chairmanships of a number of very powerful Senate committees will be taken over by Democratic Senators. The fact that Reagan is faced with a Congress controlled by the opposition party during his last two years of office will have a major impact on American politics during this period. Analysts have noted that in pushing through his "agenda" during the first two years of his 2d term, Reagan has encountered growing opposition from Capital Hill. There will be even more frequent conflicts between Congress and the White House during the next 2 years.

When the President presents his 1988 budget to Congress in January 1987, the problem of the budget deficit, which has "tormented Congress for 6 years." will spark off a new argument.

According to reports, the drafters of the new budget have already stated that if there is a further rise in military spending without a tax hike, next year's budget will again be "a deceitful trick." The budget for fiscal 1987 approved by the 99th Congress estimated a deficit of \$154 million, but a reliable, conservative estimate is a deficit of \$174 billion. Since a reduced deficit is achieved by selling off government property, overestimating next year's economic growth, and under-estimating the deficit, the process is termed a "deceitful trick."

In the foreign policy field, the differences have by no means disappeared even though, out of political considerations, the Democratic Party made temporary concessions on the eve of the Iceland meeting regarding "Star Wars," "banning nuclear tests," and "observing nuclear treaties." White House officials predict that the Democrat-controlled Congress will again challenge the White House on questions such as arms control, South Africa, and Central America. The Reagan administration is worried that support for the Nicaraguan contras will encounter obstacles, and that allocations for military spending and "Star Wars" will be cut further. The use of the presidential veto is a simple method, but this will turn the administration into a "lame duck" that cannot get anything done. Moreover, while under Republican control, the Senate avoided a trade protectionist bill. [paragraph continues]

The Democratic Party will again raise this policy, which it has repeatedly tried to push in the past. The actions of conservative judges appointed at all levels by President Reagan will also encounter still greater resistance.

House Speaker O'Neill, who is about to retire, says that the results of the midterm elections show that if there ever was a "Reagan Revolution," it is now over. On this point, President Reagan has said that he will carry through to the end this "revolution" consisting of opposing "big government," opposing tax hikes, and increasing military strength.

Next January, however, when the 100th Congress starts its work, it appears that it will be very difficult for the President to make the Democrat-controlled Congress accept his agenda.

XINHUA ON OUTCOME OF U.S. MIDTERM ELECTIONS

OW060138 Beijing XINHUA in English 0129 GMT 6 Nov 86

["News Analysis: On Outcome of U.S. Midterm Elections (By Li Yanning)" -- XINHUA headline]

[Text] Washington, November 5 (XINHUA) -- The Democratic Party was the victor in Tuesday's midterm elections of the 100th U.S. Congress when it retook the Senate and consolidated its majority in the House of Representatives.

Senate control gives the Democrats the right to appoint committee chairmen and set the legislative agenda. President Ronald Reagan, in the White House for two more years, will now have to work with a Democratic-dominated and perhaps hostile Congress, in spite of his unprecedented personal campaign to preserve the Republicans six-year reign in the Senate.

Reagan had set out on what he called his last campaign from coast to coast. Since May this year, he travelled a total of 24,800 miles in 22 states, 14 of them in the past two weeks, putting his personal stature on the line at every stop. "If you would like to vote for me one last time," he urged, vote Republican.

Reagan will now have to use the presidential veto more frequently or make concessions to the Democrats. But, some U.S. newspapers have noted that it is not hard to find a precedent in the past 30 years for rather harmonious cooperation between a president and an opposition-dominated Congress. Thus, it is too early to predict whether Reagan will be a "lame duck" president in his last two years in office. However, U.S. media have already anticipated stronger protectionism on Capitol Hill and more frequent battles for the President on his administration's policy on South Africa and Central America.

The final outcome of the elections shows the Democrats have won 55 seats in the 100-seat Senate with Republicans at 45 seats. The Republicans held a 53-47 majority in 1984.

In elections for the 435-seat House of Representatives the Democrats improved their 253-182 majority by winning five or six more seats. The Republicans, however, increased state governorships from 16 to 24.

The elections were characterized by the absence of significant national issues. The Democrats avoided challenging Republican policies on major national and international issues focusing instead on local problems and on candidates' personal appeal. Their campaign strategy was based on the belief that Democrats had a better image in the districts than Republicans and there was less risk involved in promoting this advantage.

For the Republicans' part, the Senate race held the nation's attention from the White House to small towns. In all, 34 of the 100 Senate seats were being renewed for six-year terms with Republicans defending 22 and Democrats only 12. In order to preserve the fragile Senate majority, Republicans poured President Reagan's personal prestige into the campaign. Some Republican candidates won Senate seats as a result, but not enough to maintain Senate control.

Only 38.5 percent of eligible voters cast their ballots; a little higher than the 37.5 percent in 1978 which was the lowest in 40 years. The poor figure indicates the elections were not very important to most Americans who seem more concerned about local issues like clean water in Colorado and dumping of nuclear waste in Washington.

The swing to a Democratic Senate will no doubt bring about some changes in the political life of Americans in the next two years. Clearly the Democrats still have a strong influence on U.S. political life, most notably on local affairs. It seems now that the Republicans' prediction of a "political realignment" in their favour following Reagan's landslide victories in the general elections of 1980 and 1984 was at least overstated.

The results of this election, however, do not forecast the outcome of the presidential election in 1988.

XINHUA ANALYSIS VIEWS CHANGES IN U.S. SENATE

OW071304 Beijing XINHUA in English 1316 GMT 7 Nov 86

["News Analysis: What Impact Will a Democratic-Controlled Senate Have on White House? (By Bao Guangren)" -- XINHUA headline]

[Text] Washington, November 6 (XINHUA) -- Democrats have a 55-45 majority in the U.S. Senate after Tuesday's election, bringing to an end the Republican party's six years of controlling the Senate. Both chambers of the 100th U.S. Congress are now in the hands of the Democrats.

The immediate impact will be a change in committee chairmanships. Traditionally, the majority party in the Senate appoints all committee chairmen and sets the Senate's legislative agenda.

On the major Senate committees, Claiborne Pell is likely to replace Richard Lugar as chairman of the Foreign Relations Committee; Sam Nunn will take over from Barry Goldwater as Armed Services Committee chairman; Patrick Leahy will replace Jesse Helms as chairman of the Agriculture Committee; John Stennis will replace Mark Hatfield as Appropriations Committee chairman; Joseph Biden to replace Strom Thurmond as Judiciary Committee chairman; Ted Kennedy will take over from Orrin Hatch as Labor Chairman; and Lloyd Bentsen will take over from Bob Packwood at Finance.

Controlling the committee chairmanships and the majority leadership will give the Democrats the power to schedule particular bills and scuttle others.

In foreign affairs, Claiborne Pell is a strong critic of administration policy. President Ronald Reagan is expected to meet tougher opposition to his Central American policies and will likely need to step up efforts to win Senate approval for further aid to the anti-government rebels in Nicaragua and be confronted by harsher criticism on South Africa.

Senator Robert Byrd, who claimed he has enough votes to win as majority leader, said Senate Democrats would act as a "balance wheel" on foreign policy, a counter-weight to the "Reagan doctrine" of active intervention against what he called "leftist regimes." "The American people don't want to see the military option used first," he said.

In armed services, Sam Nunn, a conservative, is respected for his military expertise. he won't be a reliable ally for Reagan. The Senate will look more closely at future budget requests from Reagan for the Strategic Defense Initiative (SDI), known as the "Star Wars" program.

Reagan's judicial appointments could also be blocked by a majority leader who refuses to schedule them for floor action. Usually Reagan will choose Republicans for judicial appointments. But now when selections reach the floor of the Senate the Democrats will be in a better position to filibuster them to death.

The Senate could pass tougher limits on foreign imports and pass a bill putting pressure on the country's trading partners to accept more American exports. However, Reagan has denounced most trade proposals as "protectionist" and vowed to veto them.

On economic issues, the new Senate will face a difficult situation: Many Democrats advocated more spending on such domestic needs as agriculture and education, while also opposing any new tax increases to help close the budget deficit.

Problems have been piling up, such as how to cut the annual deficit to 108 billion dollars from the currently projected 170 billion dollars without raising taxes. The farm crisis must be solved, but the 26.5-billion-dollar program to help farmers will be a heavy burden. Democrats are also wondering how to help the nation's 33.1 million living below the poverty line. It is easy to promise expensive programs to solve the country's problems, but the difficulties come when it is time to cut up the revenue pie.

In his first speech after the election on Wednesday, President Reagan pledged to complete his "revolution that we have so well begun." He said in the remaining years of his presidency, he will achieve three aims: make America more prosperous, more productive and the world more peaceful. He called on Democrats in the Congress to cooperate with him to "make history together."

The Democratic Senate will put Reagan's administration on defensive. The President will need to work harder to deal with the Democrat-controlled and possibly hostile Senate and House, veto more bills and strike more compromises, but it is naive to predict there will be a sharp swing from right to left. Many of the new senators, such as Richard Shelby of Alabama and Terry Sanford of North Carolina, come from the moderate to conservative wing of the Democratic Party. Just as Senator Robert Byrd said, a Democratic Senate will be "moderate, middle-of-the-road."

It is a normal during election campaigns for each side to exaggerate the danger of the other's victory. But when the election is over, they sit down together to discuss problems. Democratic senators told Reagan that they hope they "won't see a fortress White House that feels it's under siege." And Reagan is studying ways to continue to use his skills as a communicator to go over the heads of Congress on matters of importance to him.

RADIO COMMENTARY ON SOVIET TROOPS IN AFGHANISTAN

OW080426 Beijing Domestic Service in Mandarin 1150 GMT 7 Nov 86

["International Current Events Program" commentary: "Only by Withdrawing All Its Troops From Afghanistan, Can the Soviet Union Free Itself From a Difficult Position".]

[Excerpts] The 41st UN General Assembly adopted with 122 votes a draft resolution, jointly proposed by Pakistan and 45 other countries, demanding an immediate withdrawal of all Soviet troops from Afghanistan. This shows that the international community has, over the past 7 years, taken a firm and principled stand and has had unshakable determination to resolve the Afghanistan issue since the Soviet invasion of that country. It also shows that the Soviet Union has been further isolated from the rest of the world.

In an attempt to free itself from this isolation, the Soviet Union in last two years has put forward a slogan for a political settlement to the Afghanistan issue. As everyone knows, the root cause of the Afghanistan issue is the aggression and occupation of Afghanistan by 120,000 modern Soviet troops. In order to settle the Afghanistan issue politically, the Soviet Union must unconditionally and immediately withdraw all its troops from Afghanistan. This is the only correct way toward a political settlement of the issue, and is the essence of all relevant resolutions adopted by the UN General Assembly.

However, while publicizing its desire to settle the Afghanistan issue politically, the Soviet Union refuses to completely withdraw its troops from Afghanistan. This shows that the Soviet Union in fact lacks the sincerity necessary for a political settlement of the issue. [passage omitted]

According to a Soviet statement, the Soviet Union withdrew six regiments, with a total strength of approximately 8,000 men, from Afghanistan between 15 and 31 October. Soviet officials have, one after another, told the outside world about the event. Soviet news media are making great efforts to try to create favorable public opinion from the event. The Soviet departments concerned even broke the rules and organized foreign reporters to cover the event at the scene of the withdrawal. In doing so, the Soviet Union was trying to describe this symbolic troop withdrawal as a sincere and important step toward a political settlement of the Afghanistan issue. What is the Soviet Union's actual purpose? Many countries have pointed out sharply that is is nothing but a trick to deceive the world's people.

First, the Soviet Union is beset with difficulties at home and abroad because of to the Afghanistan issue. It has paid a great price for its occupation of Afghanistan in last 7 years. It has been condemned by people worldwide and it is also faces a rising resentment among it own people. The Afghanistan issue has become a heavy burden on the Soviet Union's back, as well as a headache for Soviet leaders. The Soviet Union's announcement of the partial troop withdrawal, prior to this year's debate on the Afghanistan issue at the UN General Assembly, is evidently to deceive the world and reduce internal and external pressure.

Second, the Soviet Union's partial troop withdrawal was only a show, as it involved only 8,000, or small portion, of the 120,000 Soviet troops in Afghanistan. Most of the 8,000 troops withdrawn were the least useful personnel there. Moreover, the Soviet Union had deployed 15,000 additional combat troops several months ago with newer equipment. [passage omitted]

These facts show that the Soviet Union does not have the sincerity necessary for a political settlement of the Afghanistan issue at all. [passage omitted] The latest resolution adopted by the 41st UN General Assembly once again demanding an immediate withdrawal of all Soviet troops from Afghanistan shows that the Soviet Union's partial troop withdrawal trick cannot fool anyone. If the Soviet Union wants to free itself from its isolation from the world that was caused by this situation, it has only one way out -- that is, to negotiate with all parties concerned to work out a rational troop withdrawal timetable, and withdraw all its troops from Afghanistan without any delay.

USSR PAINTING EXHIBIT OPENS IN BEIJING

OW101232 Beijing XINHUA in English 1225 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- An exhibition of 84 oil paintings and 23 sculptures from the Soviet Union was opened at the China Art Gallery here this afternoon.

Representing works by major Soviet painters and sculptors in different periods since the Russian October Socialist Revolution in 1917, the exhibits depict Soviet people in all walks of life.

Shao Dazhen, member of the Secretariat of the Chinese Artists' Association, praised the exhibits for their rich content and colorful forms combining realistic technique of expression with decorative style.

Present were Chinese Vice-Minister of Culture Gao Zhanxiang and Soviet Ambassador to China O.A. Troyanovskiy.

After its two-week show in Beijing, the exhibition will move to Shanghai.

PRC SHOWS SOVIET FILMS ON GOSR ANNIVERSARY

OW080622 Beijing in Russian to the USSR 1800 GMT 6 Nov 86

[Text] PRC radio and television broadcast special programs devoted to the 69th anniversary of the Great October Socialist Revolution [GOSR]. Besides the Soviet films: A Military Field Novel, They Fought for the Motherland, and A Railway Station for Two, broadcast by PRC Central Television, Beijing Television, and PRC Central People's Radio, PRC Central Television in its Around the World program, on the occasion of the GOSR also broadcast a film: Early 19th Century Russian Architecture. Also to be shown during the holiday is the television film, Ode to the October Revolution, which features Soviet songs performed by well-known Chinese artists, other Soviet music, and many precious film clips and photographs.

DPRK'S KIM IL-SONG MEETS GUANGMING RIBAO GROUP

OW071332 Beijing XINHUA in English 1251 GMT 7 Nov 86

[Text] Pyongyang, November 7 (XINHUA) -- President of the Democratic People's Republic of Korea Kim Il-song met here today with a delegation of the Chinese newspaper "GUANGMING DAILY."

Kim said that the Korean and Chinese comrades are as close as members of a family. The exchange of visits between the Chinese newspaper and the Korean newspaper "MINJU CHOSON" is a good thing.

Kim said that the Chinese paper often carried stories about the socialist construction in Korea and the Korean people's struggle for reunification of their fatherland. This is an inspiration to the Korean people.

Du Daozhang, editor-in-chief of the "GUANGMING DAILY" and head of the delegation, also spoke highly of the achievements made by the Korean people in their construction.

The Chinese delegation which arrived here on October 24 at the invitation of the Korean paper "MINJU CHOSON" has toured the cities of Pyongyang, Hamhung and Kaesong. It is leaving for home tomorrow.

NPC VICE CHAIRMAN ZHOU GUCHENG MEETS DPRK OFFICIAL

OW050135 Beijing Domestic Service in Mandarin 1200 GMT 3 Nov 86

[Text] Zhou Gucheng, vice chairman of the NPC Standing Committee, had a meeting this afternoon with the DPRK delegation of innovators, headed by (Han Hung-kuk), chairman of the Occupational League of South Hamyong Province.

ZHANG JINGFU MEETS DPRK TRADE DELEGATION

OW101308 Beijing XINHUA in English 1240 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today a government trade delegation from the Democratic People's Republic of Korea led by Kang Chong-mo, vice-minister of foreign trade.

The delegation came to discuss trade between China and Korea for 1987.

BUILDING OF ANTI-JAPANESE WAR MEMORIAL PROCEEDING

OW101052 Beijing XINHUA in English 0929 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- Construction of the memorial hall commemorating the War of Resistance Against Japanese Aggression is to be completed by next year's 50th anniversary of the outbreak of the war, an official said here today.

Located near the Lugouqiao Bridge about 15 kilometers southwest of Beijing, the hall will be the first in China to give a complete picture of the war and reproduce the scene of the Lugouqiao battle.

On July 7, 1937, the Japanese invading forces attacked the Chinese garrison at Lugouqiao. The incident marked the beginning of the Japanese invasion of China and the long and bloody struggle of the Chinese people that lasted eight years.

More than 140 workers have been working day and night since last July when construction started to ensure the opening of the memorial hall before July 7 next year, Huang Jianguo, who is in charge of the project, told XINHUA.

The hall, he said, will cost 37 million yuan (about 10 million U.S. dollars) with floor space totalling 10,000 square meters.

Chen Dingwen, advisor to the Preparatory Committee, said that the hall will reproduce the heroic struggle of the Chinese nation with a rich collection of documents, objects and art works.

The memorial hall will contain five exhibits related to various battles in the war. Documents, photos and artifacts related to the struggle will also be shown, he said.

Unlike similar museums in China, the memorial hall will not only commemorate battles conducted by the Communist Party Armies, but also battles carried out by the Kuomintang Army, Chen added.

A section on Sino-Japanese friendship will also be set up. These displays will include the post-war Constitution of Japan, the anti-war activities of the Japanese people and the friendly exchanges between the Chinese and Japanese peoples.

More than 1,000 objects have been collected throughout the country, Chen said.

Chen said that all residents of China's Mainland, Hong Kong, Macao and Taiwan and Chinese nationals residing abroad are welcome to contribute artifacts pertaining to the war.

GU MU MEETS JAPANESE TELECOMMUNICATIONS GROUP

OW111214 Beijing XINHUA in English 1147 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- State Councillor Gu Mu met here today with a Japanese delegation for Japan-China communication and broadcasting technical cooperation.

The delegation is led by Keiwa Okuda, member of the House of Representatives and advisor to the Japan-China Science, Technology and Culture Centre, and Yasusada Kitahara, senior executive vice-president of the Nippon Telegraph and Telephone Corporation.

Gu Mu gave a luncheon in their honor after the meeting.

The delegation arrived here yesterday at the invitation of the Ministry of Posts and Telecommunications. The guests are expected to conduct technologic exchanges with their Chinese counterparts in Beijing and Shanghai in the fields of communication and broadcasting.

XINHUA ANALYZES CAMBODIAN WAR, SRV ECONOMIC WOES

OW081340 Beijing XINHUA in English 1319 GMT 8 Nov 86

["Analysis: Kampuchean War Responsible for Vietnam's Economic Plight, by Lin Yuan" -- XINHUA headline]

[Text] Beijing, November 8 (XINHUA) -- Vietnam can no longer avoid stating the obvious: Its severe economic crisis is linked to its war in Kampuchea.

In the latest issue of "COMMUNISM", an official Vietnamese magazine, a high-level official acknowledged that Vietnam's "considerable" military outlay for maintaining its presence in Kampuchea was an "objective cause" of economic troubles.

Top Vietnamese leader, Truong Chinh, admitted recently that production forces are weakening and there are no answers in sight to the economic woes that have succeeded in lowering the country's standard of living.

Vo Chi Cong, vice chairman of the Council of Ministers, compared today's economic situation in Vietnam to the times of Vietnam's anti-French and anti-U.S. wars.

Since the end of 1978 when Vietnam began its occupation of Kampuchea, Vietnam's industrial output value has sharply decreased and its inflation rate has raised steadily from 100 to 300 percent.

Hanoi is also in heavy debt. It owes creditors nine billion U.S. dollars. The International Monetary Fund last year cut off its loans to Vietnam because the country was unable to pay them off.

Hanoi has failed to reach the goal of the five-year plan starting from 1980, that of stabilizing the economy.

In describing the life of some miners, a Vietnamese newspaper reported recently that the real value of the workers' income in September was only 35 percent of their income just one year ago.

When it invaded Kampuchea at the end of 1978, Vietnam said its troops would only be gone a few short months as the war would be a short one. The Soviet Union's financial and military aid was thought to be enough to do the job quickly.

Eight years has elapsed, but the "lightening" war still drags on.

How can Vietnam, just five years after a 10-year-long war with the United States, and with a per capita income of less than 100 dollars, maintain an army of one million men and sustain an aggressive war in another country that involves far over 100,000 of those soldiers?

While it admits that war has resulted in the suffering of its people, Hanoi shows no signs of changing its policy.

What is to be made, then, of Hanoi's 1986 National Day promise to better the lives of its people?

SINGAPORE FIRM TO PROVIDE FUNDS FOR SHENZHEN PORT

OW111848 Beijing XINHUA in English 1833 GMT 11 Nov 86

[Text] Shenzhen, November 11 (XINHUA) -- Mawan Port in the Shenzhen Special Economic Zone, Guangdong Province, will be built with funds provided by Sum Cheong Piling Private Ltd. of Singapore.

This is China's first port to be built with funds all provided by a foreign firm, said a local official here today.

A cooperative company was set up here today by the Singapore company and the Nanhai Oil Shenzhen Development and Service Corporation to construct and manage the port and its support projects including railway and storage facilities.

The cooperative company will invest 60 million U.S. dollars in building a multi-purpose berth to accommodate 20,000 dwt ships and a container wharf for 35,000 dwt ships in the first construction phase and at the same time invest 50 million U.S. dollars in constructing a 35.5 km railway line to link the port with the Guangzhou-Shenzhen line.

These facilities are scheduled to be completed and commissioned in mid-1988.

The port is located on the western part of the Nantou peninsula, which is suitable for construction of 12 berths for 20,000 dwt ships.

Upon completion, it will be one of the largest container ports in China.

GOVERNOR OF AUSTRALIAN STATE VISITS TIANJIN

SK100137 Tianjin TIANJIN RIBAO in Chinese 27 Oct 86 p 1

[Text] Dr Davis McCaughey, governor of Victoria State of Australia, and his wife and entourage, a total of four persons, arrived in Tianjin for a friendly visit on 25 October.

Yesterday, Mayor Li Ruihuan received Governor McCaughey and his wife and entourage at the Cadres' Club. Mayor Li said: Melbourne, the capital of Victoria State, is a city friendly to Tianjin. "Let me express my warm welcome to the visit of Governor McCaughey and his company on behalf of the municipal government." After that, Mayor Li gave a brief introduction to the guests about Tianjin's history and the development of the situation in recent years. Governor McCaughey thanked the Tianjin government for the hospitality accorded them during their visit in the municipality. He also said that Tianjin is a promising city and wished that Tianjin and Melbourne City will continue to strengthen their friendly contacts in the future.

Vice Governor Li Changxing was also present at the reception.

During their stopover in Tianjin, Governor McCaughey and his entourage visited the No. 2 carpet plant and a cloisonne enamel plant, toured the municipality, and visited Nankai University and gave a lecture there.

Governor McCaughey and his entourage will end their visit and leave Tianjin tomorrow.

NEWS ANALYSIS ON BANGLADESH WITHOUT MARTIAL LAW

OW101848 Beijing XINHUA in English 1831 GMT 10 Nov 86

["News Analysis: Martial Law Goes, Issues Still Tough in Bangladesh (by Xuan Zengpei and Wu Dingbao)" -- XINHUA headline]

[Text] Dhaka, November 10 (XINHUA) -- Bangladesh citizens may feel rightly rejoicing today, with martial law lifted from the country, the Constitution revived and all the fundamental rights restored.

Following the ending of the 56-month-old martial law, there will not be an easy-going time for Bangladesh authorities, however, if they fail to swiftly improve the aggravating economy and tactically pacify the never-contenting political opposition.

President Hussain Mohammed Ershad, who had been until a moment ago chief martial law administrator since March 1982, is expected to have a big re-shape of his present cabinet, largely a left-over makeup catered for military rule.

The cabinet re-shape, very much likely to be in late November after Ershad comes back from the second South Asian summit to be held in India, may draw in new blood with professional specialties and political expertise to face the challenges.

Economically, Ershad has to work out prompt measures to arrest price hikes of daily essentials. Recent floods, washing away paddy crops in northern districts, further added to make things more difficult.

Also, the government needs urgent strategy on jute for the nation, the world's largest exporter of raw jute. The jute industry, a national lifeline, employs one third of the population and earns over 60 percent of its foreign exchange.

Latest world market quotations put the Bangladesh jute at the normal 49 U.S. dollars per ton as against a steeply throw-away rival of 37 dollars. While at home jute growers complained purchasing prices are far below the production costs.

Politically, three major opposition forces may not lose any chance to press the government, ranging from charges against corruption and calls for fresh polls to electing a new parliament and especially a new president.

The seven-party alliance, one of the three oppositions, boycotted the May 7 parliamentary elections and the October 15 presidential election. Although it disappeared from the scene now, it is expected to make itself felt in the coming months.

While the other two, the Eight Party Alliance and the right wing Jamaat-E-Islami Party, well known for their tightly-knit national organizations, have proved to be fault-finders with past records.

They both joined in the parliamentary elections but both boycotted its first and second sessions. They also walked out the presidential election.

Together with the seven-party alliance, they staged a general strike on the voting day of the October 15 presidential election.

Observers here said that with no effective martial law ban to be exercised in the country any longer, the opposition will have a much greater leeway for maneuver, and can make things rather difficult at times for the government.

As for the ruling Jatiya (National) Party, set up only last January, Ershad needs to skillfully revamp it. The Jatiya unity and strength seem to depend on how smoothly he accomplishes the revamping.

40 SOVIET-KABUL TROOPS KILLED IN AFGHANISTAN

OW091240 Beijing XINBUA in English 1225 GMT 9 Nov 86

[Text] Islamabad, November 9 (XINHUA) -- Forty Soviet-Kabul troops were killed by the Afghan resistance forces during their attacks in the north of Kabul Province this week, according to reports reaching here today.

The reports said that three Soviet tanks and three military posts were captured by the resistance forces.

According to another report, the Afghan guerrillas launched an attack on a military convoy of the Soviet-Kabul troops in Qandahar-Kabul Highway during last month. As a result, a considerable number of the Soviet-Kabul troops were killed or injured, while three military transport vehicles and an ammunition depot were set on fire.

The report added that availing of the opportunity, 30 Afghan troops along with their arms and ammunition joined the ranks of the Afghan freedom fighters.

INDIAN VICE-PRESIDENT RECEIVES PRC JURISTS

OW111048 Beijing XINHUA in English 0721 GMT 11 Nov 86

[Text] New Delhi, November 10 (XINHUA) -- Indian Vice-President R. Venkataraman received visiting President of the Supreme People's Court of China Zheng Tianxiang and his party here this afternoon.

During talks with the Chinese guests, the vice-president said the relations between India and China have been improved in economic and cultural areas in recent years. He expressed the hope that both countries will have more exchanges in the judicial field.

Zheng Tianxiang briefed the vice-president with China's efforts to complete and improve a socialist legal system with Chinese characteristics.

Indian Minister of Law and Justice Ashok Sen also met with Zheng Tianxiang and his party later today.

The Chinese delegation arrived here on November 7 at the invitation of the Supreme Court of India.

Apart from Delhi, it will visit Bombay, Goa, Cochin and Calcutta before leaving for China on November 21.

SWISS FOREIGN MINISTER VISITS CHINA

Leaves for China

OW101606 Beijing XINHUA in English 1541 GMT 10 Nov 86

[Text] Geneva, November 10 (XINHUA) -- Vice-President of the Swiss Federal Council and Foreign Minister Pierre Aubert left Switzerland today for a week-long official visit to China, the first of its kind since 1974.

On his departure, Aubert told XINHUA that he was very pleased to visit China in the hope of promoting friendly relations between the two nations. He described China as a country which always plays a vital role in Asian and world peace.

Switzerland was one of the first countries to establish diplomatic relations with China. Since then, Aubert said, the two governments, which share the goal of maintaining world peace, have developed their relations to his profound satisfaction.

The Swiss foreign minister said exchange of visits by the two countries should be increased and cooperation in the fields of economy, trade and culture be expanded.

Aubert said the East-West tension and North-South relations will remain major problems until the end of this century. The imbalance between economies and levels of development aggravate political tension, he added.

Pursuing a policy of neutrality, Aubert said, Switzerland will make efforts in the resolution of East-West confrontation by providing an environment for superpower dialogues.

Aubert is travelling to China at the invitation of the Chinese State Councillor and Foreign Minister Wu Xueqian. The Chinese Ambassador to Switzerland Tian Jin and other Chinese diplomats saw him off upon his departure.

Seeks To Strengthen Ties.

OW081403 Beijing XINHUA in English 1221 GMT 8 Nov 86

[Text] Geneva, November 8 (XINHUA) -- Pierre Aubert, vice-president of the Swiss Council and head of the Federal Foreign Affairs Department, says he hopes his visit next week to China will strengthen the friendship between the Swiss and Chinese peoples.

He made these remarks in his written response to questions put forth by XINHUA. His visit is from November 11 to 16.

He says that his government has made great efforts to develop relations with those countries playing an important role in global affairs like China.

Aubert says he is satisfied with the development of relations between China and Switzerland and believes his visit will further improve them.

In the past few years, trade between Switzerland and China has grown rapidly; in 1985, the trade volume stood at 468 million dollars. However, since the 1970s, China has had a trade deficit with Switzerland.

The Swiss minister said the trade deficit pattern should be changed.

On cultural matters, Aubert said the potential was great for more exchanges.

Technical and economic exchanges should also be on the two countries' agendas, he said.

On world affairs, Aubert said that while his country would not play a key role in the easing of East-West tensions, it would always be ready to provide a site for international dialogue.

Wu Xueqian Fetes Aubert

OW111735 Beijing XINHUA in English 1623 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said here today that there exists great potential for the development of the relations between China and Switzerland, as they are based on a solid foundation.

He said this at a banquet he gave in honor of Pierre Aubert, vice-president of the Federal Council and head of the Federal Foreign Affairs Department of Switzerland, and his party here this evening.

Since the two countries established diplomatic relations in 1950, Wu said, ties between them have been continuously developed. Over the past few years exchange of visits by the leaders and other personnel of various levels of the two countries has increased, thus further deepening their mutual understanding.

He noted that the volume of trade between the two countries has also increased by year. It hit the highest level last year.

Bilateral economic and technological cooperation has had a good beginning and gratifying results have been achieved in exchanges in culture, education, science, and technology.

He said the facts have demonstrated that both China and Switzerland share a sincere desire for the development of long-term and stable friendly relations and cooperation on the basis of the five principles of peaceful coexistence despite their different social systems.

The two countries will learn from each other and their economic structures are complementary to each other, he noted. So there exist broad prospects for further development of their relations.

Wu spoke highly of the policy of the permanent armed neutrality Switzerland resolutely pursues and of its unremitting efforts to defend its sovereignty and independence, ease international tension, safeguard world peace and promote international cooperation.

Aubert said gratifying progress has been made in bilateral relations. Since the Chinese government implemented the open policy in 1979, such relations have been further developed.

He said the two countries can not be compared as regards size and population, but they still feel very close to each other. This is because the two countries have many common interests. Prior to the banquet, Wu had a meeting with Aubert and his party.

Aubert arrived here this morning for an official visit to China as guest of Wu Xueqian.

I. 12 Nov 86

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

H 1

ROMANIA'S DINCA, GOVERNMENT DELEGATION VISIT PRC

Arrive 10 November

OW101510 Beijing XINHUA in English 1502 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- A Romanian Government delegation led by First Deputy Prime Minister Ion Dinca arrived here tonight for a friendly visit to China.

While in Beijing, the delegation will attend the seventh meeting of the Committee for Economic and Technical Cooperation between the governments of China and Romania.

The Romanians were greeted at the airport by Lu Dong, Chinese chairman of the committee and minister in charge of the State Economic Commission.

Cooperation Meeting Opens

OW111736 Beijing XINHUA in English 1601 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- Lu Dong, Chinese minister in charge of the State Economic Commission, said here today that the trade volume between China and Romania will increase by a big margin from 1986 to 1990.

Speaking at the seventh meeting of the Committee for Economic and Technical Cooperation between the two governments which opened today, Lu Dong said that China would take a positive attitude towards the development of bilateral trade and economic and technological cooperation, and also welcome the Romanian side to take part in the technical transformation of China's enterprises.

He said the two sides could explore the possibilities of cooperation in other areas so as to develop their economic and trade relations steadily.

Ion Dinca, first deputy prime minister of Romania, said a new agreement would be decided upon at this meeting to further the bilateral economic relations.

He said he hoped for further cooperation between the two countries in oil exploitation and the coal industry.

The two sides agreed that during the meeting they will review the development of bilateral economic and technological cooperation in the past year and analyse the trade situation and decide on measures for further development.

Lu Dong Fetes Dinca

OW111739 Beijing XINHUA in English 1650 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- Lu Dong, Chinese minister in charge of the State Economic Commission, held a banquet here today in honor of a Romanian Government delegation led by First Deputy Prime Minister Ion Dinca.

The delegation has come to attend the seventh meeting of the Committee for Economic and Technical Cooperation between the Governments of China and Romania and also to pay a goodwill visit.

At the banquet, Lu Dong and Ion Dinca expressed the hope that the friendly relations of cooperation between China and Romania would continue to develop.

Lu Dong said that the leaders of China and Romania attach great importance to the seventh meeting, which opened this morning. This meeting, he noted, is very important in the economic cooperation between the two countries.

He said China and Romania trust, respect and support each other and treat each other as equals. Both countries treasure greatly the friendship existing between them and strengthen their cooperation and increase contacts in every field so as to develop this friendship, he added.

Ion Dinca spoke highly of the friendly relations between Romania and China. He said he was sure the seventh meeting would make an important contribution to the development of the friendly relations of cooperation between the two countries.

Song Ping Meets Dinca

OW121114 Beijing XINHUA in English 1105 GMT 12 Nov 86

[Text] Beijing, November 12 (XINHUA) -- Song Ping, Chinese state councillor and minister in charge of the State Planning Commission, today conferred with Romanian First Vice Prime Minister Minister Ion Dinca on expanding bilateral trade, economic and technical cooperative relations. Ion Dinca is here to attend, at the head of a Romanian Government delegation, the seventh meeting of the Committee for Economic and Technical Cooperation between the Chinese and Romanian Governments and also to pay a goodwill visit.

CHEN PIXIAN SPEAKS TO ROMANIANS ON LEGAL WORK

OW071314 Beijing XINHUA in English 0912 GMT 7 Nov 86

[Text] Beijing, November 7 (XINHUA) -- China's legal work should serve the modernization drive as well as the policy of opening to the outside world and enlivening the domestic economy, said Chen Pixian, member of the Secretariat of the Chinese Communist Party Central Committee. At present, he said, the legal work should focus on the economy. And the goal of China's legal work is to expand socialist democracy and legal system. Chen made these remarks at a meeting here today with a journalists delegation from Romania led by Maria Costache, editor-in-chief of "ROMANIA LIBERA".

Chen also answered questions raised by the visitors concerning China's legislation and work in the ideological field.

He said that China abides by the four basic principles in all its work, and tries to solve various kinds of ideological problems by combining the basic principles of Marxism with China's reality.

RENMIN RIBAO REPORTS LOCAL ABUSE OF POWER

HK100701 Beijing RENMIN RIBAO in Chinese 7 Nov 86 p 1

[Report: "An Incident of Wantonly Interfering in the Work of the People's Congress Occurs in Shaoyang County, Hunan Province"]

[Text] "If a person is denounced as an anti-party element once he airs some different opinion and is investigated by cadres of the Discipline Inspection Department, how could there be any democracy? We could just shut our mouths." A member of the Standing Committee of the Shaoyang County People's Congress said this angrily at the Standing Committee meeting, which was held to discuss the case in which the secretary of the county party committee ordered the county Party Discipline Inspection Commission to investigate the critical speech by people's deputy Xiao Diaoguo.

On 16 July this year, the Standing Committee of the People's Congress of Shaoyang County, Hunan Province, held its 15th meeting. Xiao Diaoguo, a county-level people's deputy and chief of Changle Township, said at the meeting that there was a serious shortage of oil in the countryside. He said that peasants now had no oil to light lamps in the evening, to husk rice, to fight against drought, and to drive their vehicles. Rarely since liberation have peasants had no oil to light their lamps, so they are resentful of the government's work. Now, some communist cadres only care about their own well-being and do not show concern over peasants' well-being. I do not know whether they still have a conscience. Other comrades at the meeting also aired quite a lot of opinions on the oil shortage in the countryside.

The same afternoon, the responsible cadre of the county party committee's Propaganda Department who attended the meeting reported what happened at the meeting to the secretary of the county party committee, saying that the chief of Changle Township uttered anti-party remarks and said that the Communist Party does not match the previous feudal dynasties. Then, the county secretary immediately ordered the county Discipline Inspection Commission to investigate this case. The same evening, the chairman and vice chairman of the county People's Congress Standing Committee were asked to prepare evidence. The two chairmen refused to write such things, pointing out that the investigation of the county party committee was improper. Next morning, the county party committee sent another cadre to contact the responsible comrades of the county People's Congress and asked a member of the Standing Committee to prepare evidence, but this was again turned down. After the People's Congress Standing Committee finished its meeting, the county party Discipline Inspection Commission continued to question others who had attended the meeting.

On 19 August, leaders of the county institutions gathered to study the CPC central documents. The chairman of the county People's Congress Standing Committee said that the county party secretary was not right to investigate the people's deputy who spoke at the People's Congress Standing Committee meeting, because no one would dare speak out if such investigations are made. But the county party secretary stuck to his own opinion and maintained that Xiao Diaoguo's remarks violated the four basic principles and should be investigated regardless of the occasion where the remarks were made. A vice chairman of the Shaoyang City People's Congress Standing Committee has talked with county party secretary, chairman of the county People's Congress Standing Committee, and county magistrate on this case. The county party secretary only admitted the method was not quite proper, and no unified opinion has been reached.

Commentator's Article

HK00731 Beijing RENMIN RIBA in Chinese 7 Nov 86 p 1

[Commentator's article: "Comrade, Put Down Your Big Stick"]

[Text] The fact that the party committee secretary of Shaoyang County, Hunan Province, ordered the county Discipline Inspection Commission to investigate a speech by People's Deputy Xiao Diaoguo at a county People's Congress Standing Committee meeting has aroused people's righteous indignation, and this event should also prod us into deep thought.

Xiao Diaoguo's speech truly reflected the the serious oil shortage in the countryside, and also included penetrating criticism of some party cadres. His spirit of daring to speak in a forthright manner is very valuable, and is always advocated by our party. The party's local leadership should welcome such criticisms and should seriously solve the problem concerned, find out the reason, improve its work, and help the masses overcome the difficulty. However, it is a pity that such penetrating and pertinent opinion was treated as "anti-party remarks." Isn't such practice of unreasonably exaggerating the seriousness of a matter and charging people of terrible crimes quite similar to the "leftist" practice which prevailed 10 years ago?

Although 8 years have passed since the 3d Plenary Session of the 11th CPC Central Committee and major developments have been made in socialist democracy and the socialist legal system, a small number of comrades in the party still adhere to old concepts when viewing and considering things and give no consideration to democracy and the legal system. What they defend are often not the correct principles that should be maintained; and what they oppose are often not the erroneous opinions and remarks that should be opposed but the realistic spirit and the truth.

The comrades who organized the illegal investigation said "forcefully" that what they did is to defend the four basic principles. However, they in fact do not really understand the four basic principles and do not realize that observing the Constitution is an important point in these four basic principles. The Constitution clearly stipulates that in a socialist country with people's democratic dictatorship, the NPC and people's congresses at all levels are organs which exercise state power on behalf of the people; and the Standing Committee of a local people's congress at and above the county level has the right to discuss and decide on major issues in all fields in its administrative area and to supervise the work of the people's government, the people's court, and the people's procuratorate at the corresponding level. The Constitution also clearly stipulates: "All state organs and armed forces, all political parties and social organizations, and all enterprises and institutions must observe the Constitution and other laws." The party Constitution also solemnly stipulates: "The party must organize its activities within the limits allowed by the Constitution and other laws." Does the action of ordering the party discipline department to interfere in the normal discussion in a meeting of the county People's Congress Standing Committee comply with the Constitutional principles?

The four basic principles form the foundation for us to build our country so they constitute a serious political issue. We must be very prudent in handling matters which are related to the four basic principles. All Communist Party members, no matter in what posts they hold, must observe the four basic principles and observe party discipline. [paragraph continues]

If they oppose the four basic principles or violate party discipline, it is completely correct for the party discipline department to investigate and handle their cases by legal means. However, it is completely wrong to recklessly charge people of the crime of "violating the four basic principles" and to order the party discipline department to hold investigations. This will just harm the authoritative position of the four basic principles and harm the prestige of the party discipline inspection organ.

It is completely correct for comrades of the Shaoyang County People's Congress Standing Committee to oppose and resist the erroneous investigation. This event showed that a large number of comrades in our cadre contingent have established a firm idea of ensuring the legal system and dare to stand up to defend the dignity of democracy and the dignity of law. With the further popularization of the legal knowledge and the in-depth development of legal education, more and more comrades will be able to do so. As compared with these comrades, the secretary of the Shaoyang County Party Committee and the responsible comrades of the Propaganda Department have lagged far behind. We hope that they will seriously examine themselves, draw a lesson, and not bludgeon other comrades by using the charge of "violating the four basic principles."

COMMENTS ON CADRES TRAVELING AT PUBLIC EXPENSE

HK100431 Beijing RENMIN RIBAO in Chinese 5 Nov 86 p 1

[Commentator's article: "A Word of Advice to Cadres Going to the West"]

[Text] Some results have been achieved in rectifying the unhealthy practice of traveling at public expense in the party rectification effort. It is reported that there has really been a reduction in the number of people traveling to the peak of Tai Shan and the foot of Lu Shan at public expense. But there has been a recent reported increase in people touring the Dunhuang Cave and the 1,000-li precipice (qian-li-ge-bi 0578 6849 2047 1084) with those areas kept very busy. Four kinds of tours are involved: "conference tours," "work tours," "pleasure-work combination tours," and "sheer pleasure tours." The local masses call the cadres on these tours "west-bound cadres."

The views and scenes in western China have attracted a large number of tourists from abroad. The western areas also welcome tours from cadres and people of the country. This helps in enlivening the consumer goods market in poverty-ridden western areas and in their economic development. They especially welcome some experts, scholars and leading cadres of developed areas coming to the West to make surveys and to provide advice and information on changing the features of western areas. The problem is that a large number of "west-bound cadres" have not spent one cent out of their own pockets. Under the banner of "meetings" and "work," they get the public to pay for them. They have done nothing to help increase the western areas' wealth. Instead, they have added to the burden on them. Many of the western areas are still subsisting on financial subsidies from the state. After "west-bound cadres" come, they demand top-class housing, first-class cars and the best foods and drinks. State money as a subsidy for these poverty-ridden areas thus goes to those "west-bound cadres." To show that they are traveling "on business" and not doing so "at public expense," some "west-bound cadres" go through the motions of asking to be briefed by local district and county party committees on local conditions upon arriving at an area, thus interfering with local cadres' normal work. All things of this kind have aroused resentment.

The central authorities have issued clear-cut orders banning traveling for pleasure at public expense. Whether traveling west, east, south or north, the ban applies. Especially banned are cases of traveling "on business" but actually "for pleasure." Of course, some conferences have to do with the development of the West. The arrangement for such meetings to take place in the West cannot be blamed. It is especially excusable for some leadership organs to send cadres to the west to give guidance about work. These help in "bringing the east wind to the west" and establishing extensive ties between the east and the west. Concerning those comrades who are really required by work to head west to attend meetings or do business, they may use their leisure time to tour some scenic spots in the West. But they must take into consideration the following few things:

1) On a tour, they must pay for carfare, anything bought for personal use, food, and tickets for admission to any place of interest. They cannot force a given area to "pay the bill." Nor should they deduct any such outlay from conference-related funds. Still less can they turn on their own unit for reimbursement by producing relevant bills and tickets.

2) They must not make excessive demands on a given area. Tourist facilities and material conditions in western areas are relatively poor. If they want to live in good housing, eat well and travel in a first-class car, local cadres can hardly grant their wishes. Especially top-ranking cadres, who have their own family members and an entourage with them, must not cause a given area trouble.

3) They must not mix business with touring. Going on a tour, they must do so in an open and aboveboard manner and do so righteously. After all, they are travelling at their own expense. No one can say anything against them. If they arbitrarily mix touring with business and let people trouble them with work reports, either they would have their attention distracted by a tour right ahead, or they could not concentrate on what is being reported to them., even after return from a tour with fatigue still in them. What can we say in justification?

"Think thrice before we act," as a Chinese saying goes. We hope that those cadres who have a chance to travel westward will do something for the West and not be the despair of the people there!

AGREEMENT ON CREDIT CARD USE SIGNED IN BEIJING

OW111334 Beijing XINHUA in English 0850 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- An agreement to introduce three credit cards issued by the Bank of China on behalf of Hong Kong Nanyang Commercial Bank Ltd. was signed here today.

Beijing Food Stuffs Corp., Hong Kong Nanyang Commercial Bank Ltd., and the Beijing Branch of the Bank of China agreed to issue Mastercard, Visa, and Federal Credit cards.

There are now more than one hundred hotels, restaurants and shops in Beijing accepting seven international credit cards and the "Great Wall" credit card issued last June by the Beijing branch of the Bank of China.

Beijing businesses began to accept international credit cards in 1981, and the Bank of China has decided to expand the use of the "Great Wall" card nationwide.

CHEN MUHUA SPEAKS AT FORUM ON FINANCIAL SYSTEM

OW111208 Beijing XINHUA in English 1158 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- China will take measures to readjust interest rates and improve its macro financial regulative and controlling systems, State Councillor Chen Muhua said here today.

"To keep pace with the restructuring of the economic system, the country's financial reform needs to be carried out in the next five years," Chen said, who is also governor of the People's Bank of China.

At a colloquium on macroeconomic management, growth, and the role of the International Monetary Fund held here today, Chen said, "China will gradually open monetary markets and tighten and improve the control of foreign exchange."

She pointed out, "it is necessary for China to carry out additional reforms, such as prices, and taxes when trying to establish an efficient financial system under present circumstances."

"China attaches great importance to the coordination of policies and methods in finance, and in planning the reform's course," she said.

According to Chen, China has made progress in reforming its financial system in the past few years, and the economic system is moving toward a new pattern of indirect control from the totally direct control of the central plan.

The week-long meeting is being sponsored by the People's Bank of China, the State Commission for Restructuring the Economic System and the International Monetary Fund.

At the meeting, specialists from the International Monetary Fund will discuss international macroeconomic management, while Chinese specialists will introduce new developments on the country's reform plan.

STATE RESPONSIBILITY TO BANKRUPT FIRMS LIMITED

HK111117 Beijing GONGREN RIBAO in Chinese 1 Nov 86 p 3

[Article by Gao Cheng (7559 2052): "The State Accepts No Unlimited Responsibility for an Enterprise Having Gone Bankrupt"]

[Text] In discussing the problem about the formulation of a State Enterprise Bankruptcy Law, some people ask: The state being the only shareholder in a state enterprise, should the state accept unlimited responsibility for a state enterprise having gone bankrupt? [paragraph continues]

In my opinion, the state should be excused from unlimited responsibility.

We know that so-called unlimited responsibility, the opposite of limited responsibility, means that a person (shareholder) with money invested in an economic organization (a company, an enterprise, a partnership, and an individual operator included), regardless of his share of the total capital and his proportionate share of profits and losses, undertakes to jointly or individually discharge all the obligations of such an organization to its creditors. For example, a and b enter into partnership, with a investing 20,000 yuan and b 30,000 yuan. With the failure of the business, both are jointly indebted to the extent of 60,000 yuan. Apart from the total amount of 50,000 yuan put up, a and b must take money out of their own pockets to pay off all the remaining debts. If the combined family assets of the two are not enough to pay the debts, they should be declared bankrupt. The same is also true of other economic organizations with unlimited responsibility. It is different in the case of limited responsibility. Limited responsibility means that the investor accepts responsibility for an economic organization's obligations only to the limit of the amount put up. Two forms of responsibility, limited and unlimited, are defined in economic activity. The aim is to enable economic organizations to understand each other's financial position and form of responsibility in mutual economic trading activity. This is taken as a basis for judging returns on trading activity and its likely risk and thus determining the amount of transactions, kinds of transaction, and so forth.

Now our country still has no company law and is lacking in stipulations about the formation of companies (enterprises), the ways of putting up capital, and the forms of responsibility. Many enterprises have no sense of profits and losses. They also lack the concept of money borrowed to be returned. With the deepening of the economic reform, the development of the commodity economy has objectively called for recognizing the status of enterprises in civil activity and recognizing the form of responsibility on the part of state enterprises. The general rules of our civil law say that a state enterprise is a legal person. With the property entrusted to its care by the state, the enterprise as a legal person assumes civil responsibility. This affirms the assumption of responsibility for obligations by the enterprise legal person in a limited way. This is to say that when a state enterprise is declared bankrupt because of serious losses and its inability to pay debts due, it is responsible for its obligations to the extent of the property entrusted to its care by the state. This stipulation clearly defines the dividing line where state and enterprise responsibility for property is concerned. There is no need for the state to assume unlimited responsibility for an enterprise. For example, a certain state enterprise is entrusted by the state with the handling of property (including fixed assets, cash, special funds, and so forth) in the total amount of 5 million yuan. Due to poor management and other factors, it owes several enterprises debts totalling 6 million yuan. Unable to discharge these obligations, it is forced to declare itself bankrupt. Then, the enterprise need only pay debts to the limit of all its property in the amount of 5 million yuan, which is proportionately distributed among creditors, with exemption from responsibility for shortfalls. The economic relations between the debtor and the creditors thus comes to an end. There is no need for either the state or the organ in charge of the enterprise to pay the debts of the failed enterprise.

On the contrary, with no bankruptcy system in force, the state may assume unlimited responsibility. If financial organs at various levels of the state are allowed to hand out money, or the organ in charge of a relevant enterprise is made to "draw on surpluses to make up deficits" among enterprises within the same system, in order to keep the ailing enterprise going, this actually means that the state assumes full responsibility for the failed enterprises. [paragraph continues]

If an upper-level department uses administrative means to close down an enterprise in a merger, then its debts cannot be liquidated. They may be either cleared by the enterprise that takes over it, or allowed to remain long unsettled on bank accounts or left unpaid -- which hurts the interests of creditors. The closure of an enterprise in a merger, in essence, still means sharing equally in the same "big rice pot," with one enterprise taking rice out of the big rice pot involving other enterprises. The enforcement of a state enterprise bankruptcy system, as far as the state is concerned, can abolish continuous subsidies for enterprises incurring heavy losses or heavy debts due to poor management, and allows the effective solution of the problem of enterprises of this kind living on state property. From this, it can be seen that the bankruptcy of a state enterprise actually does not give rise to the problem of the state assuming unlimited responsibility.

STATE ENTERPRISE INSOLVENCY LAWS APPLAUDED

HK110905 Beijing GONGREN RIBAO in Chinese 1 Nov 86 p 3

[Article by Liu Zhaoxing (0491 0340 5281): "The Two Kinds of Worries Are Unnecessary"]

[Text] Enacting state enterprise insolvency laws is necessary to develop our socialist commodity economy and restructure the economic system and is a major party in improving the socialist legal system.

Some people say if the system of allowing state-run enterprises to declare bankruptcy is established, it is in fact the state that will suffer losses. In my opinion, the way that the question is put is not sound enough.

Our state-run enterprises are socialist enterprises which are owned by the state but have the power to run their operations.

Under socialism, some state-run enterprises which have long been operating at a loss because of poor management and low-quality products are actually on the verge of bankruptcy. Such a phenomenon is an objective fact existing in the course of socialist commodity production, no matter whether or not these enterprises "declare bankruptcy" according to legal procedures. In dealing with these enterprises for a long time in the past, we often resorted to administrative means to shut them down, suspended their operation, amalgamated them with other enterprises or switched them to the manufacture of other products. As a matter of fact, these enterprises were on the verge of bankruptcy. We did not declare their bankruptcy but shifted the responsibility of loss of the these enterprises onto well-managed enterprises. Enacting state enterprise insolvency laws will lead us to legalizing our practice of dealing with the enterprises which have long been operating at a loss by shutting them down, suspending operations, amalgamating them with other enterprises or switching them to the manufacture of other products, and make us employ legal means to properly handle cases of insolvent enterprises. This reflects our respect for the objective facts. Enforcing state enterprise insolvency laws will not cause losses to the state but will protect it from suffering losses. If we do not establish a system of allowing enterprises to declare bankruptcy and deal with enterprises which actually go bankrupt by legal means, while in form it seems that there are no insolvent enterprises in our country, in fact, the debts incurred by such enterprises can only be cleared up by state financial departments or the departments in charge of them or the debts are shifted onto other enterprises. By so doing, the state suffers greater losses. Therefore, if such enterprises do not declare bankruptcy, what does the state gain?

It is thus seen that it is unnecessary to worry that the state will suffer losses with the enforcement of state-run enterprise insolvency laws.

Some people ask: As a whole, we consolidate and develop the state economy, but individually, we allow some state-run enterprises to declare bankruptcy; are the two things contradictory? In my opinion, they are not contradictory but are completely consistent with each other. Our system of allowing enterprises to declare bankruptcy is of a socialist nature. It is formulated on the condition that enterprises in bankruptcy proceedings should be liquidated to pay debts. This protects the economic interests of their creditors and of other enterprises, thus sparking the enthusiasm of state-run enterprises. Generally speaking, the establishment of such a system is an important measure to ensure the consolidation and development of the state economy.

Then, does formulation of such a system mean that workers and other employees of enterprises in bankruptcy proceedings are deprived of the right to work accorded to them by the state Constitution? Such worries are also unnecessary. With enterprises being declared bankrupt, their workers and other employees can obtain temporary relief funds as a means of subsistence. However, the departments in charge of these enterprises should prescribe professional training in a planned way in cooperation with local labor and personnel departments, help them switch to other enterprises or trades step by step, or encourage and support them to seek jobs themselves. This ensures them the right of employment, keeps the flow of labor in a correct way and increases their ability in work.

The first provision of Article 42 of the state Constitution stipulates: "Citizens of the PRC have the right as well as the duty to work." This means that in our socialist country, work is the right as well as duty of every citizen. Formulation of the system of allowing enterprises to declare bankruptcy does not mean depriving employees of their right to work but it shows that business operations of enterprises are closely linked to their employees' common interests. This will certainly urge workers and other employees to pay attention to the business operations of enterprises, strengthen their sense of duty, and value their right of work, thus raising their productivity.

In brief, I think it is necessary to enact state enterprise insolvency laws. However, this must be done in the execution of carrying out reforms in depth in different aspects and on the basis of the experiences and methods which have proved successful and practical through much practice. By doing so, we must formulate state enterprise insolvency laws with Chinese characteristics, plus corresponding laws and regulations. At present, conditions are not yet ripe and, we should not, therefore, make a hasty decision and rush things through to completion.

COMMODITY ECONOMY, SPIRITUAL SOCIETY LINKED

HK101535 Beijing RENMIN RIBAO in Chinese 7 Nov 86 p 5

[Article by Xu Chuan (6079 1557): "The Commodity Economy and the Building of Socialist Spiritual Civilization"]

[Text] A smooth-running commodity economy makes possible a faster expansion of the forces of production. This is a historical fact in many developed countries in the world and a fact which is being acknowledged by more and more people. [paragraph continues]

However, can the commodity economy promote cultural and ideological progress? People cannot reach unanimity on this question.

The relationship between promoting socialist cultural and ideological progress and developing a socialist commodity economy is an issue which must be thrashed out. Our economy is now moving toward the commodity economy in an overall way. This will certainly bring about profound changes in our economic foundation as well as in many other fields including social ideology. The development of new concepts places on us a heavy task in building a socialist society with an advanced culture and ideology.

Being influenced by unfavorable conventional theoretical views and certain rigid economic patterns, for a long time in the past our country practiced mainly the "product economy" characterized by direct planned production, allocation and distribution. During that period of time, all economic activities of our country were confined by state plans and the economic activities of state and collective enterprises were curbed by plans from higher authorities. Farm production engaged by hundreds of millions of peasants was also limited by state plans and their major products had to be sold to the state according to plan. The over-centralized economic system separated planning from market, chilled the enthusiasm of different quarters and failed to infuse our economy with vitality. As a result, the superstructure and ideology of our country had to meet the needs of such an economic foundation, foster the idea that everything in the whole society must accord with state plans, strengthen centralized and unified leadership, and protect over-centralization of state power. Under such circumstances, it was impossible to stress the initiative in economic construction, democracy in political life, and equality and freedom relating to them. In addition, our theoretical, ideological and judicial work were all subordinated to this. Everything repelled the commodity economy and unsuitable concepts predominated our society.

Now the actual conditions of our country have greatly changed. The most noticeable and far-reaching change is that our economy is quickly moving toward the commodity economy in an all-round way and the socialist commodity economy is indispensable to the realization of our socialist modernization. One of the inherent requirements for the socialist commodity economy is that we must build a society with an advanced socialist culture and ideology. Ignoring this inherent requirement and failing to conscientiously study how to accord our effort to promote socialist cultural and ideological progress with the development of the commodity economy will make our guiding ideology go counter to the objective law of social development in this aspect. If we see new problems arising in the new historical period with conventional views, we will find the commodity economy unreliable and unsatisfactory. This will surely hamper the development of the socialist commodity economy.

To discard conventional concepts, what is most important is that we must make the whole society acknowledge and welcome the socialist commodity economy. Since the 3d plenary Session of the 12th CPC Central Committee, facts have proved that the development of the socialist commodity economy has vigorously promoted socialist cultural and ideological progress -- over the past few years, the development of the commodity economy has quickly expanded the forces of production and further manifested the superiority of the socialist system, thus increasing the confidence of more and more people in socialism.

-- Thanks to the development of the socialist commodity economy, more and more people have discarded the concepts of small production and product economy and broken the shackles of "leftist ideology." Instead, they have been imbued with a series of new concepts such as the concepts of a socialist market, competition, economic results, and enterprising spirit.

-- The development of the socialist commodity economy has helped workers and management personnel of enterprises strengthen their sense of being masters of their own affairs, their sense of collectivism, and their sense of labor and sparked their enthusiasm and creativity in attaining prosperity through hard work.

-- The socialist commodity economy has created material conditions for building a socialist society with an advanced culture and ideology and facilitated the development of cultural, educational and scientific undertakings.

-- The development of the commodity economy has helped cultivate and strengthen the sense of democracy, equality and freedom in society.

-- The development of the socialist commodity economy has further strengthened our legal system. In the course of developing the commodity economy, the state can enact legislation for relations involving the commodity economy and for economic activities and can standardize and guide economic activities according to law so that economic activities can be protected by the law.

-- The development of the socialist commodity economy has also promoted progress in our way of life. To build a scientific and progressive way of life is one of the major aspects in promoting socialist cultural and the ideological progress and has a positive influence on social and economic development.

The development of the socialist commodity economy also has an important influence on the guiding ideology for building the party in the new historical period. To serve the people wholeheartedly is the purpose of our party. This purpose will not change for a long time to come, but its specific content varies at different periods of time. At the present stage, only by vigorously developing the socialist commodity economy will we be able to attain the goal of making people prosperous and the country strong. To address the problem of serving the people in the new historical period, we must therefore carry out reform heart and soul, vigorously develop the socialist commodity economy and work hard to make the people prosperous and the country strong. The exemplary and vanguard role of party members in the new historical period should be played in such a way.

In building a socialist society with an advanced culture and ideology, the basic task is to help people to become well educated and self-disciplined socialist citizens with lofty ideals and moral integrity and to raise the ideological and ethical standards of the nation as well as its educational and scientific levels -- all in the interest of socialist modernization. However, the education in ideals and moral integrity, the education in democracy, legality and discipline and the education in science and culture are all carried out along with the development of the commodity economy. Such being the case, we must devise solutions to new problems that people are confronted with in the course of carrying out reforms, opening up to the outside world and developing the socialist commodity economy. Otherwise, commodity production and commodity exchange practiced by the people in the new historical period cannot yield good results.

For example, our lofty ideal is to build communism, but at present and in a historical period of considerable length to come, we will develop the commodity economy. It is, therefore, necessary for us to explain clearly the relationship between the development of the commodity economy and the ultimate goal of communism. In the past we equated the commodity economy with capitalism; at the least, this was a misunderstanding. Now we must emphasize that the vigorous development of the socialist commodity economy can expand the forces of production to the full and greatly enrich material wealth in society so as to create material conditions for applying the communist principle of distribution -- "from each according to his ability, to each according to his needs." The present common ideal cherished by the people of all our nationalities is to build a socialist society with Chinese characteristics and a socialist modern country with a high degree of civilization and democracy. The only way toward the common ideal is to continue carrying out reform, opening up to the outside world and energetically developing the commodity economy.

Moral integrity is also related with the commodity economy. The most sensitive problem is whether competition is consistent with morality and how to make the two consistent with each other. Some people always doubt whether we can keep competition in step with morality. In the past, when we adopted the practice of the "iron rice bowl" and the "big pot" and the practice of egalitarianism, we deemed these practices of seizing the fruit of other's labor as being moral. Now we promote progress of the whole society by means of socialist competition, and why should we think this is immoral? In the course of competition, of course immorality may appear in certain aspects and more unhealthy tendencies may appear at the initial stage of developing the commodity economy. Undoubtedly these do not accord with the socialist commodity economy and should be restricted by socialist spiritual civilization and the socialist legal system, and will gradually disappear along with the further development of the socialist commodity economy.

To foster the new socialist men is the basic demand for promoting socialist cultural and ideological progress and is vital to our four modernizations. In promoting socialist cultural and ideological progress, if we can have the whole society fully understand the relationship between the issue and the socialist commodity economy and if we can cultivate a series of new concepts to meet the needs of the socialist commodity economy, we will certainly expand the forces of production at a faster pace.

STATISTICAL UNITS SERVE PARTY, STATE LEADERS

OW110456 Beijing XINHUA Domestic Service in Chinese 0242 GMT 9 Nov 86

[Text] Beijing, 9 Nov (XINHUA) -- Statistical departments in our country are noticeably increasing their informational services for party and government leaders as well as people in other quarters. Statistical information is now becoming a kind of common wealth for society.

Since last year, the State Statistical Bureau has provided the party Central Committee and the State Council with more than 600 kinds of statistical information and analytical reports, over 280 of which were supplied from January to August this year. In the past 2 years, some major problems have occurred in our national economy, such as our society's total demand outstripping its total supply, serious cases of reselling means of production at a profit in some localities, a sharp decrease in the acreage devoted to grain crops in some areas last year, and a relatively rapid increase in population this year.

Statistical reports have promptly reflected such problems, attracting the attention of central leaders. Thus, these statistical reports have played a role as an "alarm bell" in calling for strengthening macroeconomic control.

Statistical departments have made efforts to strengthen their functions in providing social services and have taken the initiative in supplying information to people in various fields in order to make things convenient for them in work and daily life. While only a small percentage was published in the past, now more than 90 percent of macroeconomic data is published.

STATISTIC BUREAU REPORTS PEASANT INCOMES RISING

OW101617 Beijing XINHUA in English 1556 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- The income of Chinese peasants is continuing to rise even after a seven-year period of steady increase, a State Statistics Bureau official said here today.

According to a sample survey of 66,900 rural households in 18 provinces and autonomous regions, the cash income of peasants in the first nine months actually increased by 6.2 percent.

The net income of peasants per capita went up by an average of 16.9 percent a year between 1979 and 1985, the official said.

Experts in rural economy consider that China's peasant households need to rearrange their economic management so as to pave the way for the further development of commodity production.

The experts analysed that the weak foundation of primary industry in the rural areas and the unstable development of secondary and tertiary industries might be factors directly affecting the future earning ability of peasants.

Peasants' cash income from secondary and tertiary industries in the first nine months of this year dropped to 17.6 percent from 49.6 percent in the same period last year.

NONGMIN RIBAO ON DEEPENING RURAL REFORM

HK100907 Beijing NONGMIN RIBAO in Chinese 31 Oct 86 p 1

[Commentator's article: "The Primary Task in the Rural Areas Is To Deepen the Reforms"]

[Text] More than a year has passed since we began the second step of the rural reform. At present, all undertakings in our countryside are continuing to develop. With general adoption of the output contract responsibility system, peasants have gained self-determination power in their production. The rural economy has been changing to a commodity economy, and more and more rural products have been put on the market. [paragraph continues]

The economic elements and operations norms in the countryside have been diversified, and this has fully exploited local and personal advantages. The farming industry and other rural economic undertakings have been developed, and peasants have increased their incomes. All this shows that the rural reforms in our country have achieved remarkable results.

While fully affirming the achievements of our reform we do not mean that the rural reform has almost been completed; instead, we are still facing arduous tasks. The reform measures which we have adopted need a whole set of follow-up measures to support and perfect them. With the development of the new situation, we still need to adopt and try new reform measures. In particular, we should notice that it is necessary to gradually regularize and standardize various reform measures, further ascertain people's rights and duties under the new system, and draw clearer policy line to distinguish rights from wrongs. For this purpose, we will have to do a great deal of work.

The output contract responsibility system based on household operation is a great creation of the Chinese peasants and must not be shaken. However, we should not relax the overall management of land which has been contracted to peasant households. In some cases, we should conduct necessary coordination and adjustment of the contracting of such resources as fruit orchards, forests, and enterprises in light of the changes in markets. It is incorrect if we completely give up the management of such things. With the development of the commodity economy and the further specialization and socialization of our production, we should properly promote the combination of the household operations in the whole process of production or in some production links. The initiative of both individual households and household combinations should be aroused; various forms of economic association should be developed; and efforts should be made to develop new forms of the cooperative economy with a variety of economic elements, operation forms, and social services.

The main part of a commodity economy is the markets. Peasants are now more and more dependent on the markets. At present, the cost of commodity movement conducted by the state commercial departments is too high, and the handling capacity of individual traders is limited. This cannot meet the needs of the development of the rural commodity economy. So, it is necessary to open new commodity circulation channels and to establish the tertiary commercial industry by organizing peasants to engage in the work of trading commodities so as to form a manifold and multitiered commodity circulation network. It is necessary to combine production with circulation and use market mechanisms to command the production of the millions of peasants by adjusting the methods of purchasing and selling various rural products in light of their characteristics and roles. An important point in this regard is to clearly find out about the interest relations in market activities so as to work out pertinent solutions. In the period of transition from an old system to a new system, there may be some conflict of interests. We should not be afraid of such things, nor be at a loss, and should not pass the buck to each other; instead, we must work in a down-to-earth manner.

To open rural markets, we should not merely pay attention to the exchange of farm products, we should also study the establishment of a monetary market and the movement of labor force. At present, funds in the countryside are mainly moving vertically, and the horizontal movement of funds is not quite developed. So we should strengthen the horizontal movement of funds by taking such measures as setting up an association of credit cooperatives in a county to offer credit at floating interest rates. [paragraph continues]

Without floating interest rates, it will be impossible to make funds move flexibly and smoothly. It is necessary to protect and develop mass monetary organizations. People should be encouraged to set up joint-stock companies and develop the joint-stock economy. More financial support should be offered to township enterprises. Now there are large amounts of idle funds scattered in the countryside. We should make full use of them through enlivening the monetary markets. Everyone knows that the rural labor force is undergoing change. Throughout the country, able craftsmen are moving from the eastern provinces to various western provinces; and labor is also moving from western areas to the east. This is also the case in every province or every county. Labor force is moving from mountainous areas to plain areas and from poor areas to rich areas. We should regard this as a good phenomenon. Without such a movement of labor, surplus manpower will be wasted, and redundant rural workers will not be able to find jobs and increase their incomes. With the movement of funds and labor, the funds can be used in the most reasonable way, and the labor force can move to places where manpower is needed, thus forming the best combination of various production factors and achieving the best economic results.

We may encounter many difficulties in the course of perfecting all the reform measures, but no matter what happens, we must continue to deepen our reforms and must not relax our efforts, still less can we stop.

ARMY SCHOOL IN HEBEI'S SHIJIAZHUANG PROFILED

HK101056 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 44, 3 Nov 86 pp 18-19

[Article by Xu Jingyue (1176 0079 6460) and Chu Yin (5969 6892): "A Cradle for Training Qualified Military Commanding Officers -- a Visit to Shijiazhuang Ground Force School"]

[Excerpts] Bo Ya, who was straightforward, uninhibited, and full of power and vigor, was a descendant of the Qing aristocrats in China. He graduated from Qinghua University, a famous institution of higher learning, in 1985. After his graduation from the university, he determinedly joined the Army, and studied again at the PLA Ground Force School. After 1 year of training, he rose from a university graduate into a junior military officer. He said proudly: "This is the first step leading to the fulfillment of my wish to become a general."

The ground force school from which Bo Ya graduated was established in 1977. It is a school for training junior commanding officers. It is the largest PLA Ground Force school with the best teaching equipment and facilities, and the largest number of students. At present, the entire army has established more than 100 institutions and schools for training junior, middle-ranking and senior military officers. The seven major military regions have each an army school for training platoon leaders. The Shijiazhuang Ground Force School belongs to Beijing Military Region.

The Chinese military leaders think highly of this ground force school. In June this year, Yang Shangkun, executive vice chairman of the Central Military Commission, reviewed the parade of the graduates of 1986. The students in junior officers' uniforms were daring and energetic. They were grouped into several columns according to their specialties. They passed by the reviewing stand with parade steps.
[paragraph continues]

During the parade, Yang Shangkun pointed out for the first time: With the strategic change in the guiding thought for the building of the Army, we should regard education and training of qualified personnel by military schools and institutions as a focal point in our work. He praised the ground force school for successfully training 16,000 qualified junior commanding officers. Some of them had been promoted to be division commanders. He encouraged all persons concerned to build the ground force school, which was called China's "West Point" by foreign visitors, into a key military school in China.

The development of the Shijiazhuang Ground Force School is an epitome of the building of the PLA's institutions and schools. Some 3,900 students of the school are respectively studying in the six specialists of infantry, artillery, reconnaissance, planning and organization, political work, and logistics. The periods of schooling include 4 years for undergraduate level, 3 years for higher educational level, 2 years for secondary vocational level, and 1 year for special training. In 1982, this ground force school successfully trained the first group of junior commanding officers with higher education level for the whole Army. This year it again successfully trained the first group of junior commanding officers with university and college level. Responsible person of the school Liu Yufang told us: Students of the school were recruited from among outstanding soldiers, graduates of senior secondary schools in various localities, and university graduates. Candidates from the first and second groups should pass strict cultural and military examinations. University graduates should enter their names on a voluntary basis, and the school will select the recruit the best. At present, there is a regulation in the PLA that those who have not yet been trained by junior commanding schools like the Shijiazhuang Ground Force School will not be promoted to be middle-ranking commanding officers. Therefore, ardent youths vie with one another to apply for study in military schools. During summer vacation this year, graduates from more than 60 universities and colleges wrote letters to the ground force school to apply for admission. The number of applicants from secondary school graduates is still greater. [passage omitted]

The Ground Force school is very big. Its campus covers an area of 3.6 million square meters. Its school buildings cover a floor space of 240,000 square meters. In the western part of the campus, there are 18 multipurpose training grounds with a total area as big as 300 football fields. The largest tactical training ground for students' on-the-spot training is located at the eastern foot of the Taihang Shan. The positions were erected in accordance with the needs of actual combats. There are more than 50 kinds of defense works, including trenches, blindages, and so on. In the forward positions, there are anti-tank and anti-infantry mixed minefields, and various kinds of blocks such as anti-tank nets, and so on. Two military units can simultaneously conduct their tactical training on these training grounds. The training grounds which we visited were exactly like battlegrounds. Smoke of gunpowder filled the air, and guns and tanks roared. This created an environment of actual combats so that students could physically and psychologically receive training similar to actual combat.

This is the present-day Shijiazhuang Ground Force School.

PENG ZHEN SPEAKS AT SUNS YAT-SEN MEMORIAL

OW121259 Beijing XINHUA Domestic Service in Chinese 0716 GMT 12 Nov 86

[Text] Beijing, 12 Nov (XINHUA) -- Speech at a meeting held by people from various circles in the capital to commemorate the 120th birth anniversary of Dr Sun Yat-sen.
[Dated] (12 November 1986) [By] Peng Zhen

Comrades, Friends, and Distinguished Guests:

Today, the people from various circles in the capital gather here to solemnly commemorate the 120th birth anniversary of Dr Sun Yat-sen. We extend a warm welcome to compatriots from Taiwan, Hong Kong, and Macao, Overseas Chinese, and relatives of Dr Sun Yat-sen, who have made a special trip to Beijing to attend this commemorative activity. We also extend a warm welcome to foreign friends here today.

Dr Sun Yat-sen is a great national hero, patriot, and pioneer of the Chinese Democratic Revolution. He fought unyieldingly all his life for the independence and liberation of the Chinese nation, and his outstanding revolutionary achievements ushered in a new era in Chinese history. The Chinese Communists and people of all nationalities in China have always had great esteem for, and cherished a profound memory of, him.

In remembering Dr Sun Yat-sen, the first thing that comes to mind is the 1911 Revolution he led -- the first major event in 20th-century Chinese history. As early as the turn of the century, he noticed the acute national and penetrating social contradictions facing old China, and realized the mounting calamities suffered by the Chinese people under the oppression of the imperialist and feudal forces. Voicing the people's aspiration for liberation, he toured various places to advocate revolution, and, with a clearcut revolutionary stand, he waged a tit-for-tat struggle with the reformists. His political program, calling for the use of armed force to overthrow the Qing Dynasty, and establish a republic in its stead, and his doctrine of the Three Principles of the People, namely, nationalism, democracy, and the people's welfare, became a powerful ideological weapon for transforming and regenerating China at that time. The 1911 Revolution toppled the corrupt Qing Dynasty, ending 2,000 years of autocratic monarchy in China, and raised the banner of democracy and republicanism. It also dealt a blow at the imperialist aggressive forces. All this paved the way for the subsequent growth of China's Democratic Revolution. However, the task against imperialism and feudalism was not completed in the 1911 Revolution, and encountered repeated setbacks. Under an extremely difficult situation, Dr Sun Yat-sen pressed forward with indomitable spirit and continued to advocate revolution, despite the setbacks, thereby displaying the dauntless heroism of a revolutionary.

Dr Sun Yat-sen was great in that not only did he lead the 1911 Revolution, but he also made a point of advancing with the times and keeping in the forefront of events. Enlightened by the victory of the October Revolution, the spread of Marxism, and the establishment of the CPC and advent of China's proletarian class, which brought about fundamental changes in China and the world, he saw new forces and new hopes. He accepted the help of the CPC and worked out the three major policies of alliance with Russia, cooperation with the Communist Party, and assistance to the peasants and workers, thus developing his Three Principles of the People, reorganizing the Kuomintang, and injecting new life into his party. The mighty revolution carried out on the basis of cooperation between The Kuomintang and the Communist Party for the first time between 1924 and 1927 pushed the Democratic Revolution to new heights.

Despite its twists and turns, cooperation between the Kuomintang and the Communist Party greatly promoted the Chinese Revolution. [paragraph continues]

It was precisely due to the first cooperation that high revolutionary tides swept throughout the country, facilitating the mopping-up operations against the Northern Warlords, and winning the victory of the Northern Expedition. Unfortunately, such an excellent situation of cooperation between the Kuomintang and the Communist Party was destroyed soon after the Northern Expedition. The Chinese Revolution encountered serious setbacks. The new warlords' reactionary rule and war against the people provided the Japanese imperialists an opportunity to invade China and inflicted mounting calamities on the Chinese people, who had to endure the hardships of a country divided and homeland occupied by the enemy. At the crucial moment concerning the survival or destruction of the nation, and at the strong urge of the people throughout the country, the Kuomintang and the Communist Party cooperated for the second time. The National United Front against Japan, formed on the basis of cooperation between the Kuomintang and the Communist Party, unified patriotic forces of all classes, circles, and political parties, fired the enthusiasm of hundreds of millions of people in resisting Japan, saved the country, and enhanced their confidence in the victory of struggle for national liberation. After an 8-year bloody war waged by troops and people throughout the country and with assistance from the allies in the Anti-Fascist War, complete victory of the first war against aggression in modern Chinese history was finally won. The victory greatly promoted national awakening and unity and laid a firm foundation for the final victory of the democratic revolution. If efforts had been made to continue to maintain and develop KMT-CPC cooperation and build the country peacefully and democratically in accordance with the sincere wish of the Chinese Communists, various democratic parties, and the people of various nationalities throughout the country after the victorious end of the War of Resistance Against Japan, the Chinese people would at least have avoided the massive bloodshed and sacrifice and the motherland would not have still remained divided. History since the first KMT-CPC cooperation irrefutably shows that a KMT-CPC cooperation is conducive to national progress, to the prosperity of our country, and to the development of the two parties.

The objective pursued by Sun Yat-sen was to build China into an independent, democratic, strong, and prosperous country. He emphasized the need to steady confidence in our nation and to carry forward its innate creativity. He advocated "changing closed-doorism into open-doorism," learning from advanced foreign experience, and seeking external assistance to help overcome difficulties in China's economic construction. He was convinced that, when the people have power in their hands after a successful revolution, they, after making arduous, sustained efforts, can surely rid our country of poverty and backwardness, catch up with the advanced countries in the world and "run neck and neck with them."

Sun Yat-sen's brilliant thinking and proposition on revolution and construction are a valuable spiritual legacy to us, a legacy inspiring our whole nation in its march forward. Carrying on Sun Yat-sen's revolutionary thinking and cause, the CPC has lead the Chinese people to realize the ideals which he pursued, and in many respects, has accomplished much more than he expected. We have won in the New Democratic Revolution and founded the People's Republic of China. The Chinese people have risen to their feet, achieved the transition to socialism, and established a socialist system. Despite twists and turns in the course of our advance, we have after all made magnificent achievements in socialist construction. An independent and fairly comprehensive socialist economic system has been largely set up in a country which is, as yet, economically and culturally backward, but whose economic strength has now grown significantly. Our educational, scientific, and cultural undertakings have developed rapidly, and we have attained advanced world levels in some branches of sophisticated science and technology. In reform of our economic structure, we have scored achievements attracting worldwide attention. Our socialist democracy has extended steadily, our socialist legal system systematically improved and the material and cultural life of our people notably bettered. [paragraph continues]

With the implementation of an independent foreign policy of peace and the policy of opening to the outside world, China's influence in international affairs is growing, and its international status has risen considerably. Sun Yat-sen had predicted: "Once our great goal of renovating China is attained, the dawn of a new epoch will appear in our beautiful country and the entire mankind will share an even brighter future." His prediction is becoming a reality. Recalling the past and comparing it with the present, we can't help having a high respect for Sun Yat-sen's foresight and sagacity which go along with world trends and meet the people's needs, for his indomitable struggle to initiate a democratic revolution, and for his great contributions. In the past 30 years and more since the founding of the People's Republic, we have commemorated him every year. A huge portrait of him is erected in the middle of Tiananmen Square on our National Day every year. We have published the "Complete Works of Sun Yat-sen." All this has been done to make the people throughout the country forever remember Sun Yat-sen's great revolutionary exploits and thinking.

Dr Sun Yat-sen consistently stood for safeguarding the unification of the country. In all eagerness, he once said: "China is a unified country. This concept has been imprinted in the minds of the Chinese people throughout history. It is precisely due to such awareness that, in spite of calamities the nation has encountered, we can preserve ourselves as a country." He added: "'Unification' is the hope of all Chinese people. Only in a unified country can the people enjoy happiness, otherwise they have to suffer hardships." In commemorating Dr Sun Yat-sen's 120th birth anniversary, every Chinese cannot but review and think over his teachings. Regrettably, Taiwan remains separated from the mainland to this day. To change this unfortunate situation and complete the great cause of the reunification of our motherland as soon as possible is an honorable mission history has entrusted to this generation of the Chinese nation. It is obvious that the current Chinese and world situation is developing in a direction favorable to the motherland's reunification. China's reunification represents the inexorable trend of the times and the common desire of the people. The way out for Taiwan lies in national reunification, and the future of the Kuomintang hinges on its cooperation with the Communist Party. All political parties and individuals should hold themselves responsible to history and the nation and, conforming with the popular feeling, contribute to the motherland's reunification. Whoever obstructs national reunification will be condemned by history.

For the past several years, we have repeatedly and solemnly expressed our sincere desire for peaceful reunification. We have, on numerous occasions, made public to the world our principles and policies on solving the Taiwan issue. On 30 September 1981, Chairman Ye Jianying made a statement, in which he put forward, in explicit terms, a 9-point policy for realizing peaceful reunification. He said: "We propose that talks be held between the Communist Party of China and the Kuomintang of China on a reciprocal basis, so that the two parties will cooperate"; "after the country is reunified, Taiwan can enjoy a high degree of autonomy as a special administrative region, and can retain its armed forces"; "Taiwan's current socio-economic system will remain unchanged, so will its way of life and its economic and cultural relations with foreign countries"; "We sincerely welcome people of all nationalities, public figures of all circles, and all mass organizations in Taiwan to make proposals and suggestions regarding affairs of state through various channels and in various ways." Summarizing the 9-point policy, Comrade Deng Xiaoping put forward an important concept of "one country with two systems" in September 1982. Article 31 of the "Constitution of the People's Republic of China," which was approved by the Fifth Session of the Fifth National People's Congress of the People's Republic of China in December 1982, says: "The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by the National People's Congress in the light of specific conditions." [paragraph continues]

In formulating the Constitution, we decided that the establishment of special administrative regions in China is to institute "one country, two systems," thereby prescribing in the basic law of our country that Taiwan can enjoy a high degree of autonomy as a special administrative region of the People's Republic of China. The Constitution, which must be observed by all political parties and citizens, is the basic guarantee for instituting "one country, two systems."

By instituting "one country, two systems," long-separated kinsmen can be reunited, the abundant resources on the 9.6 million square kilometer land can be extensively utilized, and the 1 billion sons and daughters of the Chinese nation can bring into full play their wisdom and talent, while the current socio-economic systems and lifestyles on the two sides of the Taiwan Strait remain unchanged. With the ultimate accomplishment of the great cause of reunification, a modern and democratic China will make still greater contributions to the peace and progress of mankind.

The great cause of national reunification will certainly be achieved through the common efforts of all Chinese people. We place our hopes on the Kuomintang authorities in Taiwan; in particular, on the 19 million people there. Needless to say, the Taiwan issue is a complicated one left over from history. However, with many favorable factors available, a golden opportunity has now presented itself for the Kuomintang and the Communist Party to carry out a third round of cooperation in order to realize reunification of the country. The people on both sides of the strait stick to the stand that "there is only one China," that "the movement for the independence of Taiwan must be opposed," and that "China must be reunified." All this constitutes a most important common point. The entire Chinese people, including our compatriots in Taiwan, Hong Kong, and Macao and Chinese nationals residing abroad are, without exception, concerned with the reunification of their motherland, and eagerly desire an early end to national separation. Herein lie the real forces for reunification. For the sake of national regeneration and the people's happiness, it is high time for the Kuomintang authorities in Taiwan to take a step forward. A thousand-li journey begins with a single step. It is better to take a first step than none at all. As long as they respect the desire of the people for national reunification, the Kuomintang authorities can do a lot in many respects. For instance, it is not difficult to restore trade exchanges, and exchange of mail, air, and shipping services between Taiwan and the mainland. It requires no more than making up their minds. The more they procrastinate, the more passive their position will be. The current key is for the Kuomintang and the Communist Party to start negotiations on an equal footing. We sincerely hope that Taiwan will send representatives to make contact with us at locations they consider appropriate, in order to exchange views on issues of concern to both sides. Only by doing something solid can the wishes of the people in the whole country be fulfilled. At the same time, we sincerely hope to exchange views with all Taiwan's other parties and groups, mass organizations, and public figures standing for the reunification of the motherland.

Here, I would like to point out that, in recent years, some people with ulterior motives have openly or secretly supported "the independence of Taiwan," and engaged in activities advocating "two Chinas" or "one China, one Taiwan." They are bent on obstructing and undermining China's peaceful reunification. We have closely watched such activities, wherever they come from. The Taiwan issue is an internal affair for our country. We resolutely oppose all acts interfering in our country's internal affairs and obstructing our national reunification.

Comrades and friends! The slogan of "regenerating China," put forward by Dr Sun Yat-sen 90 years ago, has a new meaning. [paragraph continues]

We shall spend the next several decades building China into a modern socialist power. The road is long, and the task arduous. In the past half century, many Communists, Kuomintang members, and other patriots have made great sacrifices for the revolution and construction. Now, more than ever before, all patriotic forces should make their contribution to the country's modernization. We must achieve the greatest unity by unifying both communists and non-Communists, Marxists and non-Marxists, atheists and religious people, and compatriots at home and abroad; in short, all patriots, by unifying all those who can be united to rally in carrying on the revolutionary and patriotic spirit of Dr Sun Yat-sen, and in striving for the common goal of the peaceful reunification and prosperity of China!

WANG MENG, ULANHU OPEN SUN YAT-SEN EXHIBITION

OW111628 Beijing XINHUA in English 1456 GMT 11 Nov 86

[Text] Beijing, November 11 (XINHUA) -- An exhibition marking the 120th birthday of Dr. Sun Yet-sen (1866-1925), forerunner of the Chinese Democratic Revolution, opened th in the Museum of the Chinese Revolution here.

The exhibition is sponsored by the Central Committee of the Chinese Kuomintang Revolutionary Committee and the Museum of the Chinese Revolution.

Wang Meng, minister of culture, presided over the opening ceremony of the exhibition, and Ulanhu, vice-president of China, cut the ribbon for the exhibition.

On display are over 800 exhibits, including personal relics and photographs. In eight sections, the exhibits illustrate Dr. Sun's deeds in various historical periods.

Relatives of Dr. Sun Yat-sen attended the ceremony from abroad and Hong Kong and Macao.

Also present were Zhu Xuefan and Bainqen Erdini Qoigy Gyaincain, vice-chairman of the Standing Committee of the National People's Congress, and Yang Jingren and Kang Keqing, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference.

This is the biggest exhibition of Dr. Sun's life since the founding of New China in 1949.

FUJIAN USES WORLD BANK LOAN FOR AGRICULTURE

OW111242 Beijing XINHUA in English 0833 GMT 11 Nov 86

[Text] Fuzhou, November 11 (XINHUA) -- Fujian Province in southeast China has invested a 45 million dollar World Bank loan in fruit and poultry farming and in expanding its aquatic products industry, officials said today.

The subtropical province had been hampered by lack of resources to develop its hilly areas and shallow waters, suitable for cultivating fruit and aquatic products such as prawns and seaweed.

Including the World Bank funds, Fujian has received a total of 386 million yuan (104 million U.S. dollars) in loans this year.

The World Bank sent a team of experts to the province last year and the low-interest loan was granted at the beginning of this year.

Provincial officials said they have invested the loan money in 354 projects. One of the largest is a chicken farm here in the provincial capital.

SHANDONG SECRETARY MEETS NINGXIA DELEGATION

SK120458 Jinan Shandong Provincial Service in Mandarin 2300 GMT 11 Nov 86

[Text] A 13-member economics delegation of the Ningxia Hui Autonomous Region, headed by Hei Boli, chairman of the Ningxia Hui Autonomous Regional People's Government, has come to our province for an investigation and visit. On the same evening the delegation arrived in Jinan, Liang Buting, secretary of the provincial party committee; Governor Li Changan; and Vice Governor Ma Shizhong came to the Nanjiao Hotel to visit comrades of the delegation.

On the morning of 11 November, Vice Governor Ma Shizhong and responsible comrades of the pertinent provincial departments and Jinan City briefed the delegation members on the province's economic development situation. During the visit, the two sides will conduct talks on the specific items for cooperation.

SHANGHAI LEADERS JOIN WORK INSPECTION

OW120040 Shanghai City Service in Mandarin 0100 GMT 8 Nov 86

[Text] Deputies to the municipal People's Congress and some NPC deputies began an inspection of Shanghai's work in eight areas today. Of the 985 municipal People's Congress deputies, 693 have joined the inspection, an all time high figure. Among them are a record number of leading cadres, including Rui Xingwen, Jiang Zemin, Hu Lijiao, Shu Wen, Wang Jian, Zuo Ying, Ni Tianzeng, Ye Gongqi, and Xie Lijuan.

The inspection will focus on the demands for building the two civilizations, making reforms, opening to the outside world, implementing the Constitution, laws, and regulations, and major issues concerning the people's livelihood.

The eight areas include 1986 industrial production and economic efficiency; assimilation of overseas capital; 1986 production and supply of nonstaple foodstuffs and milk; 1986 housing construction, construction of public utilities in new residential areas, and expansion and construction of roads; results in the implementation of plans for 1986 for greening work, environmental protection, natural gas, and public transportation; and implementation of the policies regarding traditional Chinese medicine, the science and technology market, and secondary vocational and technical education. The inspection will end in early December.

SHANGHAI SECRETARY, MAYOR ON URBAN DEVELOPMENT

OW070119 Shanghai City Service in Mandarin 0100 GMT 6 Nov 86

[Excerpts] The curtain has been raised on the implementation of the overall urban development plan for Shanghai Municipality. The municipal party committee and government held a meeting yesterday of cadres from the entire city to convey the State Council's reply on Shanghai's overall urban development plan and the guidelines contained in talks by leading comrades of the central authorities, and to mobilize all quarters of the entire city of exert concerted efforts in systematically translating Shanghai's grand blueprint into reality.

Huang Ju, deputy secretary of the municipal party committee and vice mayor, presided over the meeting. Vice Mayor Ni Tianzeng conveyed the State Council's reply and the guidelines of talks by leading comrades of the central authorities.

Major Jiang Zemin give a long report. He said that the party Central Committee and the State Council have approved the strategy for Shanghai's economic and cultural development, as well as an overall urban development plan for Shanghai, which are all programmatic documents aimed at transforming and revitalizing the city. [passage omitted]

Mayor Jiang said that Shanghai's urban construction must be geared to world development, the 21st century, and China's modernization program. The central theme of the urban development plan is a rational layout of the city. Its emphasis is on strengthening the city's basic construction to improve its investment environment, as well as that of daily living, for its residents. He stressed that implementation of the overall urban development plan is a long task of great historical significance, calling for the continued efforts of several generations. The speed of development depends on our efforts and achievements in enlivening the economy. At present we must stress several tasks. First, we must study and propagate the State Council's reply and the overall urban development plan, enhance our understanding, unify our thinking, and strengthen our confidence. Second, we must strengthen leadership, begin implementing the plan, and continually perfect the overall development plan in the course of practice. Third, we must mobilize all people in the city to participate in urban construction and accelerate its progress. Fourth, we must do a good job in making full use of foreign capital and in raising and utilizing domestic funds. Fifth, we must accelerate the formulation and perfection of laws, regulations, policies, and measures related to urban construction.

At the conclusion of the meeting, Rui Xingwen, secretary of the Shanghai municipal party committee, spoke. He pointed out that to fulfill the task of urban modernization, it is necessary to realize the authoritativeness and the binding nature, of the overall urban development plan. Departments concerned must work out, as soon as possible, regulations and rules for the implementation of the plan so that all construction projects are subjected to the restrictions of the overall urban development plan and its related laws and regulations. [passage omitted]

GUANGDONG SECRETARY REPORTS ON SPIRITUAL CIVILIZATION

HK090147 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Nov 86

[Excerpts] This afternoon, the Propaganda Department of the provincial party committee, the party committee of the organs under the provincial party committee and government, and the provincial party committee's lecture group held a report meeting on studying the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization. Over 1,000 party-member cadres heard a report by Lin Ruo, secretary of the provincial party committee, providing guidance on reform, opening up, and building spiritual civilization.

Comrade Lin Ruo said: The central resolution on building spiritual civilization is an extremely important document. [passage omitted] We must profoundly understand this resolution and apply it to guide our work for a relatively long time to come.

Comrade Lin Ruo also answered questions raised by a number of cadres in the course of study.

HENAN OFFICIAL UGRES PROPER TRAINING FOR WOMEN

HK071037 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Nov 86

[Text] On 4 November, at the provincial conference to exchange experiences in training and promoting women cadres and rationally solving the problems of recruiting women workers and students, which was jointly held by the provincial party committee Organization Department, the provincial Labor and Personnel Department, and the provincial Women's Federation, provincial party committee Deputy Secretary Zhao Di stressed that we must further eliminate the vestiges of the feudal ideas, heighten our understanding, emancipate our minds, and do well in training women cadres and recruiting women workers and students.

At present, the province's number of women cadres only accounts for 20.7 percent of the total number of cadres, which is lower than the national average level. The proportion of women cadres in various leading groups is also very small, and still less is the number of women cadres in charge of political work. When recruiting workers and students, many localities and units select as few as possible or even no women workers and students under various pretexts. It has become more prominent for women graduates and students to face difficulties in employment.

Comrade Zhao Di said: We must first solve problems in ideology and discard the outdated feudal ideas of regarding men as superior to women. We must fully understand the social status of women, as well as their importance in building the two civilizations. We must correct the thinking that views women's physiological characteristics as defects and weak points, and that views women's social duties in the process of human and national growth as extra burdens. We must greatly improve the political quality, scientific knowledge, and educational background of women, so as to cultivate them into a new generation of people who have ideals and ethics, are educated, observe discipline, and work hard for the four modernizations.

Comrade Zhao Di pointed out: Party committees at all levels must include on their agenda the work of training and promoting women cadres, and strive to promote within next year at least one to two women cadres to the leading groups at prefectural, city, county, and township levels. They should strive to have women magistrates or secretaries in all counties and townships.

The party, government at all levels, labor and personnel departments, and recruitment units must seriously implement relevant policies and regulations of the CPC Central Committee, the State Council, and the provincial party committee and government on recruiting workers and students, as well as accommodation distribution. They should really protect the legitimate rights of women and manage to treat both sexes equally. All departments concerned must provide support in the areas of lightening the burden of housework duties on women and improving women's employment prospects. They should actively run trades that directly serve people's daily life, and liberate the women's labor force. Organization, labor and personnel, and other departments, as well as women's federations, at all levels must make concerted efforts in doing well in the training and promotion of women cadres, and rationally solving problems in recruiting women workers and students.

HUNAN SECRETARY ATTENDS RALLY FOR ASIAD ATHLETES

HK071422 Changsha Hunan Provincial Service in Mandarin 0100 GMT 7 Nov 86

[Excerpts] Yesterday, morning, colored flags were hung and it was very lively in the Great Hall of the Hunan Institute of Physical Culture and Sports Technology. A mobilization rally to celebrate the victory of our province's players taking part in the Asiad and to greet the sixth national sports meet was ceremoniously held here. Attending the rally were leaders of the provincial party, government, and Army, including Mao Zhiyong, Liu Zheng, Wang Xiangtian, Jiang Jinliu, Xia Duanzhong, Liu Yanan, Luo Qiuyue, and Xu Junhu; seven players who won gold medals at the Asiad and their parents and coaches who had introduced them to the field of sports; and 1,000 players. Eight players, one coach, and one referee from our province took part in the 10th Asiad held in South Korea. [passage omitted]

At the rally, on behalf of the provincial party committee and provincial government, Wang Xiangtian, provincial party committee Standing Committee member and vice governor, extended warm greetings to the players who won gold medals at the Asiad and called on the comrades of all trades, professions, and fronts throughout our province to learn from the players who had brought credit to our motherland and won honor for our province. He also hoped that the players would score still better achievements at the national sports meet next year. [passage omitted]

Finally, leading comrades of the provincial party and government awarded silk banners or bonuses to the players who won gold medals, coaches who had introduced them to the field of sports, their prefectures and cities, their schools of physical culture and sports, and their schools.

BRIEFS

SHENZHEN SIGNS IMPORT AGREEMENTS -- To date, Shenzhen City in Guangdong Province has signed 600 agreements combining advanced technology advanced and internal economic associations with 16 countries and regions, and with 13 provinces and municipalities and 13 agricultural scientific research units at home. The amount of funds actually invested is HK\$640 million and 54 million yuan. The area of land actually used covers 149,000 mu. Through combining the import of advanced technology with internal economic associations, Shenzhen has established a system of trade and industrial and agricultural production. Shenzhen's traditional backward agriculture has become modernized. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 7 Nov 86 HK]

GUIZHOU SECRETARY INSPECTS AUTONOMOUS PREFECTURE

HK070924 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 6 Nov 86

[Text] From 20 October, Hu Jintao, secretary of the Guizhou provincial party committee, spent 12 days inspecting Leishan, Congjiang, Rongjiang, Liping and other 8 counties in the Qiandongnan Miao and Dong Autonomous Prefecture. Wherever he went, he visited factories, farms, schools, and individual operators to conduct investigation. He also earnestly listened to reports by city and county leaders. He gave constructive views and raised demands on the work in the autonomous prefecture. In view of the characteristics in the forest areas of the autonomous prefecture, Hu Jintao stressed that forestry is the mainstay economy of Qiandongnan and that cadres and the masses must gradually deepen their understanding of forestry, establish the idea of large-scale forestry, and pay serious attention to large-scale forestry to make it a success.

1. In addition to woods, there are abundant resources of wild plants in the existing forests, which remain to be exploited and utilized.

2. While ridding ourselves of the concept of selling only timber, we must exploit and utilize the resources of wild plants in a comprehensive way by coordinating cultivation, processing, and marketing, so as to upgrade the commodity value of forest products.

On developing local industry in connection with reality in each county, Comrade Hu Jintao pointed out that each county should base itself on its own natural resources and meet the needs of the market. It should adhere to the principle of developing local industry mainly on a small scale and aim at making people rich. He also requested all localities to support and develop some small enterprises run by collectives and individuals.

Comrade Hu Jintao also made demands on cadres in poor counties. He pointed out that to get rid of poverty, cadres must first have the enterprising spirit of daring to blaze new trails by forging ahead despite difficulties. Second, they must, in connection with practical conditions in their counties, realize the key problems in getting rid of poverty and formulate practical measures, so as to narrow the difference with advanced areas. On the lack of talented people in the rural areas, Comrade Hu Jintao urged all counties to train several hundred of middle school graduates in each county who are unable to enter schools of a higher level each year into local talent for developing the diversified economy. They also may employ some skilled persons from other areas to help exploit local resources and develop the economy.

GUIZHOU SENDS LECTURE GROUPS TO POOR COUNTIES

HK070846 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 5 Nov 86

[Text] In accordance with central instructions and under the arrangement of the State Education Commission, the Organization Department of the provincial party committee, in conjunction with the provincial Education Committee and the party committees of organs directly under the provincial party committee and the provincial government, selected 296 of this year's college graduates from provincial organs to form lecture groups for provincial organs.

The groups will soon set out for 11 poor counties, namely, Hezhang, Panxian, Weining, Conjiang, Ziyun, Luodian, Wangmo, Yanhe, Jianhe, Nayong, and Pijie counties to help with teaching there.

On the afternoon of 5 November, the Organization Department of the provincial party committee, the provincial Education Committee, and the party committees of organs directly under the provincial party committee and government held a send-off rally at the auditorium of the provincial CPPCC Committee. Provincial party, government, and Army leaders Hu Jintao, Shen Yunpu, Liu Ruizhi, Wang Zhenjiang, Xu Caidong, Song Shugong, (Zhang Jizhong) and responsible persons of the relevant provincial departments attended the rally.

Hu Jintao spoke at the rally. He praised the comrades of the lecture groups, saying that their action encourages the good practice of going to the grass roots, to reality, and to poor areas, and fosters the new idea of attaching importance to education and intellectual development. He demanded that the comrades of the lecture groups follow the example of the comrades of the central lecture group to Guizhou and make contributions to transforming and building their hometowns. He expressed the hope that the comrades of the lecture groups, while in the grass roots, would exert their efforts and make due contributions in the great cause of invigorating Guizhou and enriching people.

SICHUAN MEETS ON 'THREE-DIMENSIONAL AGRICULTURE'

HK090249 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 8 Nov 86

[Excerpts] The provincial government convened a provincial meeting on three-dimensional agriculture in Miyi County on 8 November. [passage omitted] The main tasks of the meeting are to sum up, study, and exchange experiences in Miyi's three-dimensional agriculture and in the promotion of ecological agriculture and courtyard economy and the implementation of the spark plan in various parts of the province. The meeting will explore and study how to develop the rural economy and enrich the peasants by relying on science and technology.

Governor Jiang Minkuan spoke at the meeting's opening session. He said: Promoting three-dimensional agriculture is the objective inevitability of developing a commodity economy. Three-dimensional agriculture is a product of the guiding idea for agricultural development and of the change in the major guiding principles. The orientation for future agricultural development is, under the premise of ensuring steady growth in grain production, to vigorously develop all types of industrial crops and other agricultural and sideline products, and promote household industry and sideline production in a big way. Three-dimensional agriculture is the inevitable trend of the switch from self-sufficient and semi-self-sufficient economy to commodity economy and from traditional agriculture to modern agriculture. He called on the peasants to carry out all-round development in light of market requirements, promote comprehensive operations, and stress good results. [passage omitted] In the course of developing the rural economy, it is necessary to establish township and town industries and tertiary industry and speed up the change in the rural labor force. [passage omitted]

Governor Jiang Minkuan put forward the following views on further promoting three-dimensional agriculture throughout the province: Enhance understanding, strengthen leadership, study and popularize advanced typical experiences, do a good job in implementing the spark plan, strive to exploit brainpower, and continually improve the quality of the labor force. [passage omitted]

BEIJING MILITARY REGION REVITALIZES WORK

OW120032 Beijing Domestic Service in Mandarin 0900 GMT 7 Nov 86

[Text] According to a XINHUA NEWS AGENCY report, the Beijing Military Region has appropriately exchanged cadres of leading bodies at the corps level, thereby enabling it to effectively eliminate sectarian bias, whip up cadres' enthusiasm, and bring new vigor to the military region's work. Since last year, the Beijing Military Region has broken through the barriers between various units in readjusting and staffing leading bodies at the corps level. It took into consideration the situation in the whole region before it began extensive cadre exchanges between group armies, between group armies and provincial military districts and military institutions, and between the military region's organs and the troops. More than a quarter of the cadres now working in the leading bodies at the corps level were transferred from other units.

A survey conducted by departments concerned among cadres transferred to new units shows that this measure has brought many changes to these leading bodies and the troops. First, barriers between units have been broken through, so that cadres can now be selected on a broader basis. Second, comrades transferred to new units have generally worked harder and in a more down-to-earth manner. Third, cadres transferred to new units have found it easier to free themselves from the pressures of various special connections, thereby enabling their leading bodies to conduct business in a more principled and aggressive manner.

After the commander of a certain group army was transferred to a new unit, after conducting an in-depth investigation and study, he decisively handled some problems which had caused many complaints among the masses, and thereby helped turn the party style for the better.

SHANXI LEADERS ATTEND SUN YAT-SEN COMMEMORATION

HK110147 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 10 Nov 86

[Excerpts] People of various circles held a solemn gathering in the provincial CPPCC hall in Taiyuan on 10 November to commemorate the 120th anniversary of the birth of Mr Sun Yat-sen. [passage omitted] Present were responsible comrades of the provincial party committee, Advisory Commission, People's Congress Standing Committee, government, CPPCC, Discipline Inspection Commission, and Military District, and Taiyuan City including Li Ligong, Jia Jun, Ruan Bosheng, Lu Gongxun, Yu Hongli, and Feng Suta. [passage omitted]

Comrade Li Ligong said in a report: In commemorating Mr Sun Yat-sen today, we should concentrate efforts on speeding up socialist modernization. We should take full advantage of our strong points in resources to promote the coordinated development of the province's economy and speed up the building of the energy, heavy industry, and chemical industry bases, so as to support the country's modernization. We should thus make our own great contributions to the great cause of invigorating China. He said: In commemorating Mr Sun Yat-sen, we must also develop a broad patriotic united front and strive to bring about the peaceful reunification of the motherland.

Li Xiuren, chairman of the provincial CPPCC, and responsible persons of democratic parties in Shanxi and Taiyuan also spoke at the gathering.

JILIN MILITARY DISTRICT COMMITTEE COMMENDED

OW101426 Beijing Domestic Service in Mandarin 1200 GMT 7 Nov 86

[Report by station reporters (Liu Dejian) and (Wang Xingong) and XINHUA reporter (Li Yuezhu)]

[Text] The Jilin Provincial Military District party committee has made remarkable progress in rectifying party style. The Discipline Inspection Commission under the Central Military Commission of the PRC today added comment on the achievements made by this military district's party committee. The comment points out that the Jilin Provincial Military District party committee has become one of the new advanced units through concrete work and marked achievements.

The comment says: Several years ago, the Jilin Provincial Military District had problems in party style, some of which were even very serious. However, instead of evading the problems, the party committee had the courage to expose them and resolutely corrected and dealt with them, with the Standing Committee taking the lead to set a good example. One by one the problems were solved, and year after year the party style has improved.

The comment says: A unit with a sound basis and high standard of party style can achieve a fundamental improvement in party style through exerting efforts. But another unit with a not so good basis of party style can also bring about a fundamental improvement in party style as long as its party committee makes earnest and solid efforts.

The reporters recently learned that the Jilin Provincial Military District has good party and military style, and has achieved outstanding results in the development of material and spiritual civilization. Members of the party committee are united as one and full of spirit. They work for the grass roots in a down-to-earth manner. The principal leading cadres spend more than 100 days every year at the grass-roots level. The task of reduction in strength reorganization has proceeded smoothly. The People's Armed Forces departments in 59 counties and city districts were turned over to the local governments along with personnel and equipment. The education level of the cadres and soldiers has improved. Sixty percent of the cadres in the district's troops and organs have a college education, compared with 9.6 percent 3 years ago. Development in border defense has been strengthened. Soldiers not only have new buildings to live in but also have color televisions and refrigerators. Some sentry posts in the mountain areas even make use of solar energy.

In launching joint building of spiritual civilization by the army and civilians, over 60 percent of the units have been commended as advanced county, city, or national units. The Military District's per capita income from agricultural and sideline production reached 813 yuan last year, and will exceed 1,000 yuan this year. Remarkable progress has also been achieved in building up militia and reserve service. In combating floods in Jilin Province this year, hundreds of thousands of militiamen and reserve service personnel were mobilized to stop some 400 breaches of dams and repair and consolidate dikes totalling some 380,000 meters, thereby ensuring a bumper grain harvest this year.

Gao Di, secretary of the Jilin Provincial CPC Party Committee, spoke to the station reporters. He said: [Begin recording] The reason why the Jilin Provincial Military District could do such a good job was that they took the initiative. What impressed me the most was the performance of the masses of commanders and soldiers of the provincial military district in flood control and rescue work, especially that of the leading comrades. It made a very deep impression on the civilian cadres and the masses.

They were so eager and positive to get mobilized because they were sincerely dedicated to serving the people, a goal of the party. It does not require material incentive, but conscientiousness and initiative, to serve the people. Being sincere in their desire to serve the people, they took the initiative to perform the task. Performing a task assigned by high levels means obeying orders for army commanders and fighters. However, motivated by a conscious desire to serve the people, the commanders and fighters of the Jilin Provincial Military District provided timely assistance to the people. This is an important achievement in party rectification. [end recording]

JILIN SECRETARY ADDRESSES INDUSTRIAL FORUM

SK120720 Changchun Jilin Provincial Service in Mandarin 2200 GMT 11 Nov 86

[Text] The provincial industrial forum, which ended on 10 November, pointed out: In promoting the provinces's industrial production, the key lies in carrying out reform, renewing our concepts, and enhancing our consciousness of reform. Gao Di, secretary of the provincial party committee, Governor Gao Dezhan, and Vice Governor Liu Shulin attended the forum. The forum listened to and fully affirmed the experiences of the Jilin Chemical Industrial Company in building the two civilizations, and called on workers and staff members throughout the province to learn from the company's spirit of making progress with one heart and one mind in a bid to invigorate Jilin's economy.

At the forum, Comrade Gao Di pointed out: We should further strengthen leadership over industrial production and should support and promote agriculture with industry. The rural areas should vigorously develop town and township enterprises, instead of only grasping grain production. The focus of industry should be placed on reform, and the focus of reform should be placed on improving various kinds of economic responsibility systems, with stress on the contract system, in order to mobilize the initiative of workers. We should dare to and be good at carrying out reform and make appropriate adaptations in light of specific conditions. In building spiritual civilization, we should pay attention to solving two problems. We should renew our concepts by mainly overcoming those leftist, outdated concepts and habits which are detrimental to the progress of reform and the work of opening to the outside world, and by cultivating the commodity economy concept and the concept of efficiency.

On how to promote production next year, Governor Gao Dezhan pointed out: The major goals for the province's industrial production next year will be: Striving for steady, sustained and coordinated development with quality and relatively good efficiency, and effecting simultaneous increases in output value, income from sales, profits and taxes, and financial revenues. In organizing next year's industrial production, we should focus on deepening reform, readjusting the structure, developing integration, strengthening management, increasing reserve strength, promoting comprehensive development, and increasing efficiency. We should regard the work of satisfying social and market demands as the priorities, the quality of products as the focus, the improvement of efficiency as the major orientation, and the economic responsibility system and ideological and political work as the guarantee. Comrade Gao Dezhan pointed out: In organizing industrial production next year, we should pay attention to the following seven items of work:

1. We should adhere to reform and further mobilize the initiative of producers and managers of enterprises.
2. We should suit the social and market demands, positively readjust the product mix, and vigorously improve the level and competitiveness of products.

3. We should strengthen leadership over the work of developing lateral economic cooperation, further open ourselves to the outside world, and promote the penetrating development of lateral integration.

4. We should grasp management, raise standards, comprehensively improve the quality of enterprises, and strengthen the basic work and the building of groups and teams of enterprises.

5. We should make great efforts to grasp technical transformations of enterprises, and strengthen the momentum of enterprises.

6. We should give prominence to major aspects and create good conditions for key large and medium enterprises in the fields of policies, materials, and capital. At the same time, we should vigorously develop the collective economic sector in the urban and rural areas and further grasp all sectors of the economy at all levels in order to raise economic results in a comprehensive manner.

7. We should strengthen the building of spiritual civilization and strive to renew and enliven ideological and political work by summing up new experiences.

FOREIGN ENVOYS ATTEND DALIAN OPEN POLICY MEETING

SK100135 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 9 Nov 86

[Text] This afternoon, ambassadors, ministers, counsellors, and economic and commercial attaches from 14 countries participated in the Dalian City meeting to introduce the city's new preferential policies on opening to the outside world. To promote mutual understanding and friendship between Dalian and various other countries, encourage foreign traders to run enterprises in Dalian with their capital, and conduct economic and technological interchange and cooperations in the course of opening Dalian to the outside world, Dalian City will sponsor a meeting from 9 to 12 November to introduce its new preferential policies on opening to the outside world, with the approval of the Ministry of Foreign Affairs. Diplomatic envoys to China from Norway, Democratic Germany, Hungary, Mozambique, Japan, Canada, the FRG, Yugoslavia, the United States, Australia, Denmark, the Soviet Union, Malaysia, and France attended the meeting at the invitation of the Dalian City People's Government.

During the meeting, Wei Fuhai, mayor of Dalian City, and other leading comrades will brief these diplomatic envoys on Dalian City's new situation in further opening to the outside world, its investment environment, and its new preferential policies, and will continue to explore the possibility of cooperation in the fields of economics, trade, labor export, import of talent, and development of tourism resources. At the same time, a small-scale exhibition on samples of exported goods will be held.

BRIEFS

JILIN DEMOCRATIC PARTY COMMITTEE -- Beijing, 29 Oct (XINHUA) -- The Jilin provincial committee of the Chinese Peasants' and Workers' Democratic Party, one of the 8 democratic parties in China, was set up in the capital city of Changchun after 18 months' preparation. The party's first representative conference in Jilin Province, which closed recently, selected Prof. Yan Hongchen of the Changchun Institute of Traditional Chinese medicine as committee chairman. The Chinese Peasants' and Workers' Democratic Party is mainly made up of intellectuals in medical circles and has more than 200 members in Jilin. [Text] [Beijing XINHUA in English 0204 GMT 29 Oct 86 OW]

QINGHAI SECRETARY ON RURAL CIVILIZATION ISSUES

HK080323 Xining Qinghai Provincial Service in Mandarin 2330 GMT 7 Nov 86

[Excerpts] Yin Kesheng, secretary of the provincial party committee, investigated issues of building spiritual civilization in the rural areas of Xunhua and Hualong counties from 30 October to 5 November. Comrade Yin Kesheng pointed out: The important thing in building socialist spiritual civilization is that the cadres at all levels, especially the leading cadres, must further improve their work style. [passage omitted]

Comrade Yin Kesheng said at a gathering of cadres in Hualong County: The building of spiritual civilization must be done in light of local conditions and not in a generalized or monolithic way. In areas inhabited by minority nationalities, we must first strengthen nationality solidarity and guide the masses to change old traditional concepts and backward customs that hamper social progress. Second, we must develop nationality education, improve the quality of education, and continually enrich and enliven the masses' cultural life. We should appaly the progress of science and culture to stimulate the development of building spiritual civilization.

Comrade Yin Kesheng also pointed out in the course of his investigation: Accomplishing the four modernizations is the common ideal of people of all nationalities throughout the country. Specifically, in Qinghai, we should display the determination of the foolish old man to develop the province. [passage omitted]

Comrade Yin Kesheng stressed: The important thing in building socialist spiritual civilization is that the cadres at all levels, especially the leading cadres, must further improve their work style. On the one hand they must regularly go deep into reality and among the masses to investigate and study, guide the work, and solve the problems. On the other hand, they must be good at mixing with the masses, consulting them when problems arise, and listening to their views. They should mobilize everyone's initiative and concentrate all efforts on building the two civilizations.

QINGHAI LEADERS ATTEND ANIMAL HUSBANDRY LECTURES

HK090149 Xining Qinghai Provincial Service in Mandarin 2330 GMT 8 Nov 86

[Excerpts] To ensure that leading party and government cadres can understand animal husbandry, the provincial party committee's central study group organized special lectures on animal husbandry on 8 November. There are five such lectures. [passage omitted] Yin Kesheng, secretary of the provincial party committee; Song Ruixiang and Liu Feng, deputy secretaries; Chen Yunfeng and Han Yingxuan, members of the Standing Committee, and other responsible comrades, numbering 70, attended the first lecture. [passage omitted]

BRIEFS

SHAANXI OPENS POWER PLANT -- Qinling Power Plant, the largest thermal power plant in northwestern China, was completed and put into operation on 31 October. The power plant was designed, built, and installed entirely by Chinese. With a high degree of automation, it is a modern thermal power plant. The annual energy generated by the plant will be 6 billion kwh, accounting for 51 percent of the province's total. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 2 Nov 86 HK]

EXECUTIVE YUAN DENIES U.S. INTERFERENCE IN TRADE

OW110853 Taipei CNA in English 0235 GMT 11 Nov 86

[Text] Taipei, Nov. 10 (CNA) -- The Executive Yuan stressed Monday that the United States had never tried to interfere or meddle in the Republic of China's [ROC] internal affairs by means of its trade talks with this nation and that its stand on ROC-USA trade is based on a trade agreement between the two nations.

In a written response to Legislator Lin Yu-hsiang's interpellation concerning the high-handed methods the U.S. resorted to in the recent trade talks, the Yuan said that the ROC-USA trade agreement was inked on Dec. 29, 1978, one year before the suspension of diplomatic relations between the two nations, for the purpose of enhancing the nation's relations with member nations of the General Agreement on Tariffs and Trade, of which ROC is not a signatory.

The agreement states that the ROC is willing to abide by the GATT agreement reached in Tokyo for the promotion of trade liberalization and the establishment of a new world trade order. Meantime, the ROC also promises to uphold the principles of equality and reciprocity in conducting trade with other countries and assisting developing nations to gain profits through increased trade activities, the Yuan said.

The ROC has been able to enjoy many benefits prescribed by the generalized system of preferences mainly because of its commitment to the U.S., it said, adding that this is probably the reason the U.S. requested this nation to uphold the principles of free, equal and reciprocal trade with the U.S.

In the U.S. opinion, the nation's export ratio requirements on joint-venture auto companies, subsidies to rice exports, and ban on the import of American tobacco and wine are a distortion of the principle of free trade. The U.S. request to open talks on these issues is based on its agreement with the ROC and should not be regarded as interference in the nation's internal affairs, the Yuan said.

RICE DISPUTE CAUSE OF REFUSAL TO BUY U.S. CORN

OW081409 Taipei CHINA POST in English 3 Nov 86 p 12

[Text] The ROC [Republic of China] refused to buy more American corn and wheat because the U.S. rejected repeated appeals from ROC to reconsider the 1984 bilateral agreement limiting Taiwan's rice exports, the Ministry of Economic Affairs' Board of Foreign Trade (BOFT) disclosed yesterday.

The ROC signed a pact with the U.S. last Oct. 2 to buy more than 18 million metric tons of corn, soybeans, wheat, and barley over the next five years.

The BOFT said that ROC shelved its original plan to buy more corn and wheat in protest against what it called an unjust U.S. trading practice and to call for a review of the rice export ceiling agreement.

The 1984 rice accord, due to expire in 1988, limited the ROC's rice exports to countries with per capital incomes below US\$795.

The BOFT also announced yesterday that in line with its liberalization policies, the MOEA [Ministry of Economic Affairs] will review its grain import procedures gradually.

FISHING INDUSTRY AFFECTED BY U.S. RSA SANCTIONS

OW081135 Taipei CNA in English 0953 GMT 8 Nov 86

[Text] Kaohsiung, Nov. 8 (CNA) -- U.S. economic sanctions against South Africa have indirectly affected the deep-sea fishing industry in the Republic of China [ROC], a fishery official said in Kaohsiung Friday.

If the situation does not improve within a short time, the nation's fishing industry will suffer a heavy loss, the official said on commenting on a report that an ROC refrigeration vessel was recently stopped by U.S. Customs from unloading its fish products which were caught by the nation's deep-sea fishing boats from waters off South Africa.

The official said fishermen's associations in southern Taiwan have asked the Foreign Ministry to help resolve the problem through proper channels.

Cape Town is the largest overseas supply and transshipment center for the nation's deep-sea fishing boats. The nation's annual fish catches from waters near South Africa have run around 20,000 metric tons and nearly 80 percent of that amount used to be sold to food-processing businessmen in the United States, he said.

OFFICIAL WARNS AGAINST TRADE TALK POLITICIZATION

OW080623 Taipei CHINA POST in English 4 Nov 86 p 12

[Text] The ROC [Republic of China] must not fall prey to an anti-foreign syndrome and should resolve its trade differences with the U.S. to carry out economic liberalization and internationalization. Council of Economic Planning and Development (CEPD) Chairman Chao Yao-tung, who led a recent delegation to study Japan's information industry, reiterated this position on his return Sunday.

Chao urged the government to follow Japan's lead in seeking a settlement with the U.S. on the cigarette, wine and beer issue. He stressed that trade talks between both sides should not be politicized and neither should emotionalism prevail.

The CEPD chairman remarked that the ROC should consider itself the "weaker" partner in its trade ties with the U.S. and should refrain from taking on a belligerent anti-foreign attitude.

He noted that Japan realized two important considerations in dealing with the U.S. First, Japan will suffer most from a trade war with the U.S. Second, the international community will be adversely affected should the U.S. economy worsen.

Chao pointed out that Japan gave in to U.S. demands to prevent souring of relations. He said that both the public and the government in Japan support economic liberalization and internationalization. Presently Japan has privatized its cigarette and wine industries while telecommunication and steel manufacturing may soon be deregulated following approval by the Diet.

The chairman further observed that there are only slight differences between prices of local and foreign cigarettes and alcoholic beverages in Japan. The measures indicate a strong sense of economic reality than obsession with minor benefits. Chao concluded.

Despite the small difference between prices of local and imported cigarettes, Japanese consumers still prefer local brands, Council of Economic Planning and Development (CEPD) Chairman Chao Yao-tung noted after his recent visit to Japan.

Chao, meeting with newsmen following his arrival last Monday, said the U.S. can no longer accuse the Japanese of unfair trade practices under such circumstances. He noted that imported cigarettes were selling at only 20 yen (approx. NT\$4) more than local brands.

The CEPD chairman remarked that even as large and powerful a trading nation as Japan must give in to U.S. pressure. He said that the ROC, being a large but "far from powerful" trading country, must consider its options carefully.

EXPORTS TO NORTH AMERICA INCREASE IN JAN-OCT

OW111431 Taipei CNA in English 0945 GMT 11 Nov 86

[Text] Taipei, Nov. 11 (CNA) -- North America remained as the largest buyer of ROC [Republic of China] -manufactured goods in the January-October period this year, amounting to U.S. \$16.57 billion and accounting for 51.4 percent of the nation's total trade in the same period.

Government economic and trade officials said that the country's exports to North America, which included the United States and Canada, resulted in a growth of 26.3 percent or U.S. \$3.45 billion bigger than the amount recorded for the 10-month period last year.

Official statistics showed that the Republic of China's outbound shipments delivered to the North American continent were valued at U.S. \$13.12 billion, which accounted for 51.6 percent of the total exports with U.S. \$32.23 billion during the like period in 1985.

Asia was the ROC's second largest trading partner, in terms of exports. Asian nations purchased products from the island reaching U.S. \$8.25 billion, or occupying 25.6 percent of the entire exports in the first 10 months.

Exported items to Asia yielded a rise of U.S. \$1.40 billion or 20.5 percent over U.S. \$6.85 billion a year ago, trade officials noted.

Europe was listed as the third biggest buyer, buying locally produced goods totaling U.S. \$3.75 billion, dominating 11.9 percent of the whole export volumes and carding a boost of U.S. \$1.30 billion or 53.3 percent from the prices in the year earlier.

The Middle East was the top fourth purchase of the ROC's products from January through October with a price tag of U.S. \$1.07 billion and accounting for 3.3 percent of the cargoes from the island.

I. 12 Nov 86

V 4

CHINA
TAIWAN

Exports to the Middle East indicate an increase of 14.1 percent or an upsurge of U.S. 133 million against the amount last year, the official tabulations disclosed.

Of the total imports priced at U.S. \$19.69 billion, Asia was the biggest supplier of goods to this country, topping U.S. \$8.62 billion which represented 43.6 percent of the total imports.

PREMIER STRESSES IMPROVED MIDDLE EAST RELATIONS

OW110847 Taipei CNA in English 0231 GMT 11 Nov 86

[Text] Taipei, Nov. 10 (CNA) -- Premier Yu Kuo-hua has directed ROC [Republic of China] personnel stationed in the Middle East to strive for improved relations with those Arab nations in the Gulf region which are of vital importance to the nation's economy and to promote substantive relations with those countries which have no formal ties with the ROC.

Yu gave the directive in a written message to the 6th joint conference of representatives of the ROC's diplomatic and trade missions to the Middle East. The two-day conference, which was presided over by ROC Ambassador to Saudi Arabia Edward Y. Kuan, opened in Riyadh Nov. 10.

In his message, Yu reiterated the ROC's friendship with Saudi Arabia, asking all Chinese personnel there to strengthen the cooperative relations between the two nations.

He also expressed appreciation to the nation's foreign servicemen there for their hardships and contributions to protecting the nation's interests in that region in the face of endless turbulence and increased united front offensives by the Peiping regime in that part of the world.

In addition to chiefs of ROC missions in that area, Wang Fei, director of the Foreign Ministry's Department of West Asian Affairs, was also present at the meeting.

INTERIOR MINISTER CALLS PARTY FORMATION 'ILLEGAL'

OW110647 Taipei CNA in English 0314 GMT 11 Nov 86

[Text] Taipei, Nov. 10 (CNA) -- Interior Minister Wu Po-hsiung said Monday that before the revision of the statutes governing civic organizations is completed, any activities related to the formation of new political parties in this nation will be considered illegal.

In response to a CNA reporter's inquiry about some non-partisans' holding of the so-called national convention of the "Democratic Progressive Party," Wu said that the government has begun to revise the statutes governing civic organizations in preparation for lifting the ban on formation of new parties in this nation.

Before the draft revision is passed by the Legislative Yuan, any activities aimed at forming new political parties here will be regarded by the government as illegal, Wu said.

The government will not recognize such activities nor will this society accept them, he noted.

PREMIER RECEIVES COSTA RICAN ECONOMICS MINISTER

OW071507 Taipei CNA in English 1414 GMT 7 Nov 86

[Text] Taipei, Nov 7 (CNA) -- Premier Yu Kuo-hua received Luis Diego Escalante Vargas, minister of economic, industrial and commercial affairs of the Republic of Costa Rica, and Mrs Escalante at the Executive Yuan Friday afternoon.

During the meeting, Yu and Escalante exchanged views on ways to promote relations between the Republic of China [ROC] and Costa Rica as well as international issues of mutual concern.

Stressing that the two nations have maintained traditionally cordial relations in the past, Yu expressed the hope that exchange of visits by officials from both sides will be increased to further upgrade trade and economic ties between their countries.

Escalante, who arrived in Taipei Nov. 2 for a week-long visit, told the ROC premier that he has been impressed by the nation's prosperity and stability during his stay here.

The couple were accompanied by Su Ping-chao, director of the Central and South America Department of the Foreign Ministry, during the meeting.

PREMIER SEEKS IMPROVED EUROPEAN TRADE TIES

OW071455 Taipei CNA in English 1422 GMT 7 Nov 86

[Text] Taipei, Nov. 7 (CNA) -- The Republic of China [ROC] is trying to improve its relations with European countries through trade and economic cooperation, Premier Yu Kuo-hua told Jean Miot, executive president of the Paris-based newspaper LE FIGARO, Friday.

In addition to promoting trade and economic cooperation, the ROC is trying to enhance its cultural and educational exchanges with the European countries, Yu said.

During their meeting at the Executive Yuan, Yu and Miot exchanged views on the substantive relations between France and the ROC.

Miot highly praised the ROC for its outstanding economic accomplishments in recent years. The economic miracle of this country is attributable to efficient government leadership and the diligence of the people, he said.

He told Yu that the French people generally reckon the Republic of China as the true China. It is the freedom-loving Republic of China that the French people love, he added.

Miot arrived here Friday for a five-day visit. Established 132 years ago LE FIGARO is one of the most prestigious newspapers in France.

I. 12 Nov 86

C H I N A
HONG KONG & MACAO

W 1

HONG KONG

EDITORIAL COMMENTS ON REPORTED U.S.-IRAN TALKS

HK110502 Hong Kong SOUTH CHINA MORNING POST in English 11 Nov 86 p 18

[Editorial: "Hypocrisy Becomes Official U.S. Policy"]

[Text] The United States was humiliated in 1980 when a desperate President Jimmy Carter sanctioned a doomed military mission to rescue the hostages held in the American Embassy in Teheran. Another "covert" operation aimed at the release of hostages has now brought shame to the United States, but of a different order.

The charred corpses which marked the end of the Teheran rescue attempt were the product of poor planning and mechanical failure. The concern over the recently revealed plan to secure the release of hostages in Lebanon by selling arms and military spare parts to Iran is due to the elevation of hypocrisy to the status of a secret national policy. The White House has sold arms to Iran in secret while in public adopting the stance that America under no circumstances would negotiate with those who instigate or support acts of terrorism.

At the very best, America's credibility is affected. It's hard to understand how President Reagan could see an advantage in dealing with a nation which endorses terrorism as a legitimate weapon. Of course there is immense concern over the fate of the six Americans still in the hands of the Lebanese terrorists. Of course every reasonable avenue should be explored to secure their liberty. Of course Mr Reagan must feel a degree of responsibility for their fate. But has the message not yet filtered through to the White House that when a government makes a deal with terrorists it means giving in to blackmail?

It is an excruciatingly difficult decision for a nation's leadership to have to make: Pay the ransom or condemn those caught in the middle to almost certain death. Far more, however, depends on that decision than the fate of individual hostages. The victory the terrorists score once the ransom has been paid fuels their fanaticism. More hostages are taken. More bombs are placed in city shops. More aircraft are hijacked. The terrorists believe they have the world's governments at their mercy.

The decision to sell arms to Iran also helps to fuel a war in which the U.S. Government is neutral, at least for public consumption, apart from the fact that it is also in contravention of an embargo on war materiel to Iran which has been official U.S. policy since 1979. The recent revelations will add to speculations that America has at least passively acquiesced to Israel's arms supplies to Iran: Israel has become one of Iran's main sources of weaponry in its six-year-old war with Iraq.

The deposed Shah spent billions of dollars equipping the Iranian Armed Forces with the most modern equipment the United States had to offer. The present Teheran regime needs all the spare parts and replacements for this U.S. equipment it can get its hands on. Israel has allegedly supplied Iran with U.S. \$40 million worth of American-made weapons since the beginning of this year to keep the Ayatollah's war machine in running order.

The rift that the arms sales reports have revealed in the top levels of the U.S. Administration are also cause for concern. Defence Secretary Mr Caspar Weinberger and Secretary of State Mr George Shultz both appear to have been kept ignorant of the main ingredients of the deal. [paragraph continues]

The manipulator-in-chief has been Admiral John Poindexter, the National Security Adviser, and the negotiations with Iran, conducted through Israeli middlemen, has been handled by staff of the National Security Council, which he heads.

There have been many questions over the years about the direction of American policy; when such a departure from stated policy as the arms deal represents is made without the Secretary of State's full knowledge, those questions demand answers. It would be a serious blow to the administration if Mr Shultz felt compelled to resign; despite the occasional faltering, he has emerged as a statesman of some stature and has in the main given Mr Reagan's more adventurous policies an acceptable public face. As if to underline the fact that the left hand of the administration does not know, or prefers not to know, what the right hand is doing, Mr Shultz has been widely quoted as saying on several occasions that the United States would use its influence with "friendly states" -- Israel and China -- to halt arms shipments to Iran.

This is the second time in a month that Mr Reagan and Admiral Poindexter have had difficulties coordinating their activities with the secretary of state, although it is fair to point out that the arms negotiations with Iran began under the admiral's predecessor, Mr Robert McFarlane. But it was certainly Admiral Poindexter, however, who wrote Mr Reagan a three-page memo outlining a "disinformation" campaign against Libya. This ploy was accepted, but when it was revealed to the world, the President at first denied it; Mr Shultz on the other hand implicitly admitted it had been going on by making a rather inept attempt to justify it.

Hypocrisy is an ugly trait, and while nobody has ever expected absolute moral rectitude from politicians, there are standards below which they should not be allowed to fall with impunity, especially when such important issues are at stake.

PHILIPPINE LABOR MINISTER'S VISIT CLARIFIED

HK111024 Hong Kong AFP in English 0939 GMT 11 Nov 86

[Text] Hong Kong, Nov 11 (AFP) -- Philippine Labor Minister Augusto Sanchez is in Hong Kong on a planned visit, and is not in hiding following reports from Manila that he was among "leftists" allegedly targetted for liquidation, a Philippine official said here Tuesday.

Reports in Manila that Mr Sanchez was on an alleged hit-list drawn up by supporters of Defence Minister Juan Ponce Enrile or had joined the Communist Party were totally unfounded, Labour Attache Dante Santana said.

Mr Sanchez, who arrived here Friday for his second visit in less than a week, had a commitment to fulfill with the 2,000-strong Hong Kong-Filipino Musicians Union, he added.

The labour minister failed to meet the Filipino musicians' group during his earlier visit to the British territory October 31 to November 5 when he had talks with Filipino domestic helpers here, estimated to total 50,000, on their problems which resulted in a proposed Filipino welfare and community centre.

Mr Santana described Mr Sanchez's talks with Filipino musicians on their woes and grievances about low pay as "very encouraging."

I. 12 Nov 86

W 3

CHINA
HONG KONG & MACAO

PRC INFLUENCE ON GREEN PAPER ALLEGED

HK100931 Hong Kong SOUTH CHINA MORNING POST in English 10 Nov 86 p 1

[By Michael Chugani]

[Text] China is believed to have sought to influence the contents of next year's Green Paper on political reforms by asking the British Government to make sure the document does not take sides on the controversial question of direct elections. The Chinese are understood to have pointed out to the British that while there was a loud call for direct elections to the Legislative Council in Hong Kong, there was also a wide body of opinion against such elections.

Beijing is said to have asked Britain to ensure this difference of opinion is fully reflected in the Green Paper, a public discussion document on reforms scheduled to be published in the middle of next year.

It has been reliably learned that senior Chinese ministers began relaying their message to the British six months ago, whenever there were ministerial meetings between the two sides.

The message is believed to have been passed on to the British Foreign Secretary, Sir Geoffrey Howe, as well as the Hong Kong Governor, Sir Edward Youde.

There has been much speculation in past months that the Chinese Government had asked Britain to freeze political reforms in Hong Kong in the run-up to 1997. Britain has refused to confirm or deny such claims while senior Chinese officials have from time to time dropped hints they did not want to see any political changes until after 1997.

It is now learned that while not having forced the British to retreat from introducing political changes in Hong Kong, the Chinese have indeed asked that the Green Paper should not highlight the calls for direct elections while ignoring other calls for no change.

Hong Kong officials have recently stated that the Green Paper will be completely neutral and will not take the lead in influencing public opinion on touchy questions like direct elections.

This policy of neutrality is a marked change from the Government's previous Green Paper on reforms, published in 1984, when the administration put forward recommendations for political changes.

It can be assumed that China's desire for the Green Paper not take sides is one reason why the Hong Kong Government has decided to publish a neutral document listing various options for change, rather than one which makes recommendations for the public to consider, as was the case in 1984.

This way, whatever changes are made in 1988 arising from the Green Paper will be a result of the public's choice rather than of Government steering of public opinion through recommendations.

Separate hints that Britain had accepted China's call to make sure next year's document did not take sides have come from both Sir Geoffrey and Sir Edward.

Both leaders emphasised recently that China and Britain were alive to the concerns and views of each other.

NPC TO HAVE FINAL REVIEW ON POST-1997 LAWS

HK110530Hong Kong HONGKONG STANDARD in English 11 Nov 86 p 1

[Report from Shenzhen by Yau Shing-Mu]

[Text] China's supreme lawmaking authority, the Standing Committee of the National People's Congress, may review laws enacted by the Hong Kong legislature after 1997 and rule whether they are constitutional. This was a conclusion endorsed at a Basic Law Drafting Committee subgroup meeting in Shenzhen yesterday.

The group, which is to delineate relations between the future SAR [Special Administrative Region] and the Chinese central authorities, will end its two-day meeting today. It is expected the group will pass a preliminary report which records its work and recommendations in the past six months to the drafting committee full meeting.

A co-convenor of the sub-group, Mr Shao Tianren, said though the Joint Declaration does not say it clearly, the power of the NPC's Standing Committee to review SAR laws is implied.

A special committee under the NPC or its Standing Committee is recommended to undertake this. The committee, it is further suggested, should involve people from Hong Kong and the mainland. After the Standing Committee passes a judgement that a local law contravenes the Basic Law, that law would be nullified.

The Hong Kong legislature would have to reformulate the law or give it up. But those people or legal entities who gained benefit from the cancelled law will not be affected even though the law is nullified.

"From the legal point of view the third party is innocent, because it has no intention of taking advantage of the law's unconstitutionality, of which they have no knowledge," Mr Shao, a legal advisor to the Foreign Affairs Ministry said. However, local laws need not necessarily undergo review before entering into force, he said.

As long as the legislation has been reported to the Standing Committee for record it would be valid law. When it enters into force depends on the date it is promulgated or specified elsewhere.

Mr Shao explained "for record" and "review" are two different things that should not be confused. "For record" is to formalise a law enacted in the SAR as part of the Chinese law system, while "review" is a process to examine whether a local law contravenes the Basic Law.

Mr Shao also indicated that those laws effective before 1997 do not need to be reported to the NPC for record.

On the sensitive issue of residual power -- power not specified in the Constitution -- the group decided to put a safety clause to make sure that the SAR may enjoy other powers authorised by the NPC and the State Council.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

This publication contains current news and commentary monitored by FBIS from foreign broadcasts, news agency transmissions, newspapers, and periodicals. Items are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign-language sources are translated by FBIS. Those from English-language sources are transcribed, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS. Labels such as [Text] or [Excerpts] in the first line of each item indicate how FBIS processed the information from the original. Names rendered phonetically or in transliteration by FBIS are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clearly heard, received, or published but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source.

Users of this publication may cite FBIS provided they do so in a manner clearly identifying it as the secondary source. For example: "FBIS reports that Radio Moscow announced . . ." or "FBIS has monitored a broadcast from Hanoi which says . . ."

SUBSCRIPTION INFORMATION

The FBIS Daily Report is published Monday through Friday in 8 volumes: I - China, II - Eastern Europe, III - Soviet Union, IV - Asia and Pacific, V - Middle East and Africa, VI - Latin America, VII - Western Europe, and VIII - South Asia.

U.S. Government officials may obtain subscriptions to the Daily Reports at no charge through their sponsoring organizations. DOD consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 692-5753, Autovon: 222-5753.) For additional information or assistance call FBIS, (703) 527-2368, or write P.O. Box 2604, Washington, D.C. 20013.

The public may subscribe to either a hardcover or microfiche version of the Daily Report through the National Technical Information Service (NTIS) of the Department of Commerce (5285 Port Royal Road, Springfield, Virginia 22161). The annual subscription fee for the hardcover version within the United States, Canada, and Mexico is \$250 for any one volume and \$80 for each additional volume. This includes the occasional supplements to the Daily

Report. In microfiche (prepared weekly) the fee is \$110 for any one volume, \$135 for two volumes, \$160 for three, \$210 for four, \$260 for five, \$310 for six, \$360 for seven, and \$410 for all eight volumes. Foreign subscriptions outside North America are available from appointed foreign dealers or from NTIS.

Back issues or single copies of the Daily Reports are not available. New subscribers should expect a 30-day delay in receipt of the first issue of the Daily Report. Holders of subscriptions through NTIS should forward all inquiries, remittances, or changes in subscriber information to NTIS at the address listed in paragraph 3 or call: (703) 487-4630.

The publications of the Joint Publications Research Service (JPRS), which are sometimes cited in the Daily Report, may be ordered in single copies or by subscription from NTIS. In ordering, please cite the JPRS title, number, date, and author if applicable.

Both the Daily Report and JPRS publications are on file for public reference at the Library of Congress and at public and university libraries throughout the United States.

END OF

FICHE

DATE FILMED

NOV 14, 1986

